

TLOKWE CITY COUNCIL
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS 30 JUNE 2011
Parameters to be completed for Current Year

Name of Authority	TLOKWE CITY COUNCIL GROUP
Financial Year-end	30 JUNE 2012
End of Next Year	30 JUNE 2013
End of Current Year	30 JUNE 2012
End of Previous Year	30 JUNE 2011
End of Base Year	30 JUNE 2010
Current Year	2012
Previous Year	2011
Base Year	2010
Next Financial Year	2012/2013
Current Financial Year	2011/2012
Previous Financial Year	2010/2011
Comparative Financial Year	2011/12 : 2010/11
Start of Current Year	01 JULY 2011
Start of Previous Year	01 JULY 2010

TLOKWE CITY COUNCIL GROUP
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
for the year ended 30 JUNE 2012
REPORT OF THE CHIEF FINANCIAL OFFICER

1. INTRODUCTION

These consolidated annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003). The standards and pronouncements that form the GRAP Reporting Framework for the 2011/12 financial period are prescribed by the Accounting Standards Board (ASB).

Despite having instituted various control measures in order to improve the overall financial results of the group, the collection of arrear debt remains a challenge. The increase in the debtors book together with the increased number of indigent customers is indicative of the poverty that exists within the municipal area. However, the ongoing reviewing and monitoring of debt collection performance is expected to result in an improvement in the collection of arrears.

2. KEY FINANCIAL INDICATORS

The following indicators give some insight into the financial results of the year under review.

Financial Statement Ratios (Tlokwe Local Municipality):

INDICATOR	TLOKWE LOCAL MUNICIPALITY	
	2012	2011
Surplus / (Deficit) before Appropriations	(115,944,776)	(77,040,455)
Surplus / (Deficit) at the end of the Year	3,488,109,896	3,604,450,373
Expenditure Categories as a percentage of Total Expenses:		
Employee Related Costs	25.74%	27.04%
Remuneration of Councillors	1.57%	1.41%
Depreciation and Amortisation	17.26%	19.47%
Impairment Losses	2.87%	2.20%
Interest Paid	0.72%	0.53%
Bulk Purchases	27.42%	26.13%
Contracted Services	4.38%	3.94%
Grants and Subsidies Paid	4.48%	3.93%
General Expenses	13.18%	12.53%
Loss with Sale / Transfer of Assets	2.39%	2.83%
Current Ratio:		
Creditors Days	24	57
Debtors Days	56	60

The comparative figures for 2010/2011 have been restated due to correction of errors and revaluation of assets.

Financial Statement Ratios (Group):

INDICATOR	GROUP	
	2012	2011
Surplus / (Deficit) before Appropriations	(115,917,141)	(77,008,782)
Surplus / (Deficit) at the end of the Year	3,488,169,644	3,604,482,486
Expenditure Categories as a percentage of Total Expenses:		
Employee Related Costs	25.74%	27.04%
Remuneration of Councillors	1.57%	1.41%
Depreciation and Amortisation	17.26%	19.47%
Impairment Losses	2.87%	2.20%
Interest Paid	0.72%	0.53%
Bulk Purchases	27.42%	26.13%
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Current Ratio:		
Creditors Days	24	57
Debtors Days	56	60

The comparative figures for 2010/2011 have been restated due to correction of errors and revaluation of assets.

3. OPERATING RESULTS

Details of the operating results per segmental classification of expenditure are included in Appendix "D".

The overall operating results for the year ended 30 June 2012 are as follows:

DETAILS	Actual 2011/2012 R	Actual 2010/2011 R	Percentage Variance %	Budgeted 2011/2012 R	Variance Actual/ Budgeted %
Income:					
Operating income for the year	804,477,037	721,788,985	11.46%	863,264,896	-6.81%
	804,477,037	721,788,985	11.46%	863,264,896	-6.81%
Expenditure:					
Operating expenditure for the year	920,421,813	798,829,440	15.22%	798,814,649	15.22%
	920,421,813	798,829,440	15.22%	798,814,649	15.22%

3.1 Rates and General Services:

Rates and General Services are all types of services rendered by the group, excluding those listed below. The main income sources are Assessment Rates and Sundry Fees levied.

DETAILS	Actual 2011/2012 R	Actual 2010/2011 R	Percentage Variance %	Budgeted 2011/2012 R	Variance Actual/ Budgeted %
Income	90,425,780	80,193,027	12.76%	90,069,329	0.40%
Expenditure	167,632	167,632	-	167,632	-
Surplus / (Deficit)	90,258,148	80,025,395	12.79%	89,901,697	
Surplus / (Deficit) as % of total income	99.81%	99.79%		99.81%	

3.2 Housing Services:

Housing Services are services rendered by the group to supply housing to the community and include the rental of units owned by the municipality to public and staff. The main income source is the levying of Housing Rentals.

DETAILS	Actual 2011/2012 R	Actual 2010/2011 R	Percentage Variance %	Budgeted 2011/2012 R	Variance Actual/ Budgeted %
Income	3,033,484	2,926,273	3.66%	2,510,563	20.83%
Expenditure	7,038,024	5,665,255	24.23%	6,501,969	8.24%
Surplus / (Deficit)	(4,004,541)	(2,738,982)	46.21%	(3,991,406)	
Surplus / (Deficit) as % of total income	(132.01)%	(93.60)%		(158.98)%	

3.3 Refuse Services:

Refuse Services are services rendered by the group for the collection and disposal of refuse. Income is mainly generated from the levying of fees and tariffs determined by the council.

DETAILS	Actual 2011/2012 R	Actual 2010/2011 R	Percentage Variance %	Budgeted 2011/2012 R	Variance Actual/ Budgeted %
Income	25,408,012	20,889,410	21.63%	22,148,038	14.72%
Expenditure	21,835,243	22,928,610	(4.77)%	22,761,893	(4.07)%
Surplus / (Deficit)	3,572,769	(2,039,200)	(275.20)%	(613,855)	
Surplus / (Deficit) as % of total income	14.06%	(9.76)%		(2.77)%	

3.4 Electricity Services:

Electricity is bought in bulk from Eskom and distributed to the consumers by the group. The cost of bulk purchases to the municipality amounted to R246 410 901 (2010/2011: R202 565 784). Tariffs levied for electricity are subject to administered adjustments.

DETAILS	Actual 2011/2012 R	Actual 2010/2011 R	Percentage Variance %	Budgeted 2011/2012 R	Variance Actual/ Budgeted %
Income	435,963,426	362,911,625	20.13%	481,980,721	(9.55)%
Expenditure	294,601,706	244,177,496	20.65%	307,245,262	(4.12)%
Surplus / (Deficit)	141,361,720	118,734,129	19.06%	174,735,459	
Surplus / (Deficit) as % of total income	32.43%	32.72%		36.25%	

3.5 Water Services:

Water is bought in bulk from the Department of Water and distributed to the consumers by the group. The cost of bulk purchases to the group amounted to R6 003 125 (2010/2011: R6 143 542). Tariffs levied for water are subject to administered adjustments.

DETAILS	Actual 2011/2012 R	Actual 2010/2011 R	Percentage Variance %	Budgeted 2011/2012 R	Variance Actual/ Budgeted %
Income	111,797,046	98,232,647	13.81%	102,464,265	9.11%
Expenditure	62,110,414	50,809,788	22.24%	67,204,861	(7.58)%
Surplus / (Deficit)	49,686,632	47,422,859	4.77%	35,259,404	
Surplus / (Deficit) as % of total income	44.44%	48.28%		34.41%	

3.6 Sewerage Services:

Sewerage Services are services rendered by the group for the purifying and disposal of sewerage. Income is mainly generated from the levying of fees and tariffs determined by the council.

DETAILS	Actual 2011/2012 R	Actual 2010/2011 R	Percentage Variance %	Budgeted 2011/2012 R	Variance actual/ budgeted %
Income	39,816,014	33,952,569	17.27%	39,349,581	1.19%
Expenditure	26,500,603	18,940,623	39.91%	19,787,163	33.93%
Surplus / (Deficit)	13,315,411	15,011,946	(11.30)%	19,562,418	
Surplus / (Deficit) as % of total income	33.44%	44.21%		49.71%	

4. FINANCING OF CAPITAL EXPENDITURE

The expenditure on Property, Plant and Equipment during the year amounted to R 97 243 766 (2010/2011: R 81 605 002). Full details of Property, Plant and Equipment are disclosed in Note 7 and Appendices "B, C and E (2)" to the Consolidated Annual Financial Statements.

5. RECONCILIATION OF BUDGET TO ACTUAL

5.1 Operating Budget (Tlokwe Local Municipality):

DETAILS	TLOKWE LOCAL MUNICIPALITY	
	2012 R	2011 R
<i>Variance per Category:</i>		
Budgeted surplus before appropriations	64,450,247	54,797,023
Revenue variances	(58,787,859)	(2,787,370)
Expenditure variances:		
Employee Related Costs	9,507,911	(4,127,308)
Remuneration of Councillors	(149,565)	36,964
Depreciation and Amortisation	(126,970,212)	(125,839,160)
Impairment Losses	(16,413,517)	(8,549,168)
Interest Paid	(1,088,652)	6,607,701
Bulk Purchases	5,558,688	10,278,854
Contracted Services	2,076,694	4,720,677
Grants and Subsidies Paid	(2,979,830)	(6,013,129)
General Expenses	30,842,997	16,464,461
Sale / Transfer of Assets	(21,991,678)	(22,630,000)
Actual surplus before appropriations	(115,944,776)	(77,040,455)

Details of the operating results per segmental classification of expenditure are included in Appendix "D", whilst operational results per category of expenditure, together with a concise explanation of significant variances of more than 10% from budget, are included in Appendix "E (1)".

5.1.1. Operating Budget (Group):

DETAILS	GROUP	
	2012 R	2011 R
<i>Variance per Category:</i>		
Budgeted surplus before appropriations	64,450,247	54,797,023
Revenue variances	(58,749,114)	(2,748,355)
Expenditure variances:		
Employee Related Costs	9,507,911	(4,127,308)
Remuneration of Councillors	(149,565)	36,964
Depreciation and Amortisation	(126,970,212)	(125,839,160)
Impairment Losses	(16,413,517)	(8,549,168)
Interest Paid	(1,088,652)	6,607,701
Bulk Purchases	5,558,688	10,278,854
Contracted Services	2,076,694	4,720,677
Grants and Subsidies Paid	(2,979,830)	(6,013,129)
General Expenses	30,831,887	16,457,119
Sale / Transfer of Assets	(21,991,678)	(22,630,000)
Actual surplus before appropriations	(115,917,141)	(77,008,782)

5.2 Capital Budget (Tlokwe Local Municipality):

DETAILS	Actual 2011/2012 R	Actual 2010/2011 R	Variance Actual 2011/12 : 2010/11 R	Budgeted 2011/2012 R	Variance Actual/ Budgeted R
Executive and Council	970,688.19	1,036,769	(66,081)	978,330	(7,642)
Finance and Administration	1,202,894.46	1,562,287	(359,393)	1,489,934	(287,040)
Planning and Development	62,874.91	439,806	(376,931)	1,028,265	(965,390)
Community and Social Services	4,751,866.95	6,351,980	(1,600,113)	5,219,846	(467,979)
Housing	324,347.69	43,327	281,021	473,531	(149,183)
Public Safety	2,080,659.72	2,355,823	(275,163)	2,576,369	(495,709)
Sport and Recreation	3,926,779.01	-	3,926,779	12,342,981	(8,416,202)
Waste Management	9,603,991.47	1,163,606	8,440,385	16,895,883	(7,291,892)
Roads and Transport	38,087,725.71	33,471,767	4,615,959	62,752,947	(24,665,221)
Water	677,346.00	121,614	555,732	267,935	409,411
Electricity	35,554,592.01	34,656,727	897,865	36,488,581	(933,989)
Other	-	401,296	(401,296)	-	-
	97,243,766	81,605,002	15,638,764	140,514,602	(43,270,836)

Details of the results per segmental classification of capital expenditure are included in Appendix "C", together with a concise explanation of significant variances of more than 10% from budget, are included in Appendix "E (2)".

5.2.1 Capital Budget (Group):

DETAILS	Actual 2011/2012 R	Actual 2010/2011 R	Variance Actual 2011/12 : 2010/11 R	Budgeted 2011/2012 R	Variance Actual/ Budgeted R
Executive and Council	970,688.19	1,036,769	(66,081)	978,330	(7,642)
Finance and Administration	1,202,894.46	1,562,287	(359,393)	1,489,934	(287,040)
Planning and Development	62,874.91	439,806	(376,931)	1,028,265	(965,390)
Community and Social Services	4,751,866.95	6,351,980	(1,600,113)	5,219,846	(467,979)
Housing	324,347.69	43,327	281,021	473,531	(149,183)
Public Safety	2,080,659.72	2,355,823	(275,163)	2,576,369	(495,709)
Sport and Recreation	3,926,779.01	-	3,926,779	12,342,981	(8,416,202)
Waste Management	9,603,991.47	1,163,606	8,440,385	16,895,883	(7,291,892)
Roads and Transport	38,087,725.71	33,471,767	4,615,959	62,752,947	(24,665,221)
Water	677,346.00	121,614	555,732	267,935	409,411
Electricity	35,554,592.01	34,656,727	897,865	36,488,581	(933,989)
Other	-	401,296	(401,296)	-	-
	97,243,766	81,605,002	15,638,764	140,514,602	(43,270,836)

Details of the results per segmental classification of capital expenditure are included in Appendix "C", together with a concise explanation of significant variances of more than 10% from budget, are included in Appendix "E (2)".

6. ACCUMULATED SURPLUS

The balance of the Accumulated Surplus as at 30 June 2012 amounted to R 3 512 851 545 (30 June 2011: R3 604 450 373) and is made up as follows:

	TLOKWE LOCAL MUNICIPALITY 2012 R	GROUP 2012 R
Capital Replacement Reserve	63,377,148	63,436,896
Accumulated Surplus	3,424,732,748	3,424,732,748
	<u>3,488,109,896</u>	<u>3,488,169,644</u>

The Capital Replacement Reserve replaces the previous statutory funds, like the Capital Development Fund, and is a cash-backed reserve established to enable the group to finance future capital expenditure. Cash contributions, depending on the availability of cash, is made annually to the reserve.

The group, in conjunction with its own capital requirements and external funds (external loans and grants) is able to finance its annual infrastructure capital programme.

Refer to the Statement of Change in Net Assets for more detail.

7. LONG-TERM LIABILITIES

The outstanding amount of Long-term Liabilities as at 30 June 2012 was R89 701 411 (30 June 2011: R21 007 586).

Refer to Note 16 and Appendix "A" for more detail.

8. NON-CURRENT PROVISIONS

Non-current Provisions amounted to R138 703 244 as at 30 June 2012 (30 June 2011: R119 683 034) and is made up as follows:

	TLOKWE LOCAL MUNICIPALITY	GROUP
	2012	2012
	R	R
Provision for Post-retirement Health Care Benefits Liability	117,256,440	117,256,440
Provision for Long-term Service Awards	9,937,689	9,937,689
Provision for Rehabilitation of Landfill Sites	11,509,115	11,509,115
	<u>138,703,244</u>	<u>138,703,244</u>

These provisions are made in order to enable the group to be in a position to fulfil its known legal obligations when they become due and payable.

Refer to Note 17 for more detail.

9. CURRENT LIABILITIES

Current Liabilities amounted to R117 611 299 as at 30 June 2012 (30 June 2011: R151 578 091) and is made up as follows:

		TLOKWE LOCAL MUNICIPALITY	GROUP
		2012	2012
		R	R
Consumer Deposits	Note 12	11,147,969	11,147,969
Provisions	Note 13	7,579,849	7,579,849
Creditors	Note 14	62,590,271	61,000,071
Unspent Conditional Grants and Receipts	Note 15	31,526,409	31,526,409
Current Portion of Long-term Liabilities	Note 16	4,766,801	4,766,801
		<u>117,611,299</u>	<u>116,021,099</u>

Current Liabilities are those liabilities of the municipality due and payable in the short-term (less than 12 months). There is no known reason as to why the municipality will not be able to meet its obligations.

Refer to the indicated Notes for more detail.

10. PROPERTY, PLANT AND EQUIPMENT

The net value of Property, Plant and Equipment was R3 115 763 625 as at 30 June 2012 (30 June 2011: R3 184 205 368).

Refer to Note 7 and Appendices "B, C and E (2)" for more detail.

11. INTANGIBLE ASSETS

The net value of Intangible Assets amounted to R82 025 as at 30 June 2012 (30 June 2011: R126 472).

Refer to Note 8 for more detail.

12. INVESTMENTS

The municipality held Investments to the value of R 29 867 623 (2011: R nul).

The bulk of these investments are ring-fenced for purposes of the Capital Replacement Reserve, Unspent Conditional Grants and security for Long-term Liabilities, with the result that no significant amounts are available for own purposes.

Refer to Note 10 for more detail.

13. LONG-TERM RECEIVABLES

	TLOKWE LOCAL MUNICIPALITY	GROUP
	2012	2012
	R	R

Long-term Receivables amounted to R50 655 (2011: R55 776) and is made up as follows:

Sale of Erven	50,655	3,251,350
Capitalised Arrear Services	-	-
	50,655	3,251,350
Less: Short-term portion included in Current Assets	-	400,000
	50,655	2,851,350

Refer to Note 11 for more detail.

14. CURRENT ASSETS

Current Assets amounted to R 715 281 316 as at 30 June 2012 (30 June 2011: R 714 113 511) and is made up as follows:

	TLOKWE LOCAL MUNICIPALITY	GROUP
	2012	2012
	R	R

Inventory	Note 2	335,989,417	335,989,417
Trade Receivables from Exchange Transactions	Note 4	106,450,033	100,732,627
Trade Receivables from Non-Exchange Transactions	Note 5	53,178,359	23,654,670
Cash and Cash Equivalents	Note 6	212,609,508	218,318,058
		715,281,316	686,148,772

Refer to the indicated Notes for more detail.

15. INTER-GOVERNMENTAL GRANTS

The municipality is dependent on financial aid from other government spheres to finance its annual capital programme. Operating grants are utilised to finance indigent assistance and provision of free basic services.

Refer to Notes 15, 25 and 33, and Appendix "F" for more detail.

16. EVENTS AFTER THE REPORTING DATE

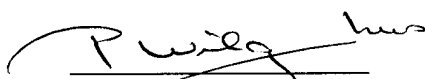
Full details of all known events, if any, after the reporting date are disclosed in Note 46.

17. GENERAL RECOGNISED ACCOUNTING PRACTICE (GRAP)

In order to adhere to principles and procedures prescribed by law and the directions of National Treasury, the Annual Financial Statements have been converted to the new reporting GRAP-format and is now presented as such on a continuous basis.

18. EXPRESSION OF APPRECIATION

We are grateful to the Executive Mayor, members of the Mayoral Committee, Councillors, the Municipal Manager and Heads of Departments for the support extended during the financial year. A special word of thanks to all staff in the Finance Department, for without their assistance these Annual Financial Statements would not have been possible.


 ACTING CHIEF FINANCIAL OFFICER
 31 August 2012

TLOKWE CITY COUNCIL GROUP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2012

		TLOKWE LOCAL MUNICIPALITY		GROUP	
	Note	2012 R	2011 R	2012 R	2011 R
ASSETS					
Current Assets		686,148,772	710,906,976	687,379,782	712,099,241
Inventory	2	335,989,417	369,171,763	335,989,417	369,171,763
Non-current Assets Held-for-Sale	3	7,054,000	7,372,000	7,054,000	7,372,000
Trade Receivables from Exchange Transactions	4	100,732,627	91,075,866	100,732,627	91,112,946
Trade Receivables from Non-Exchange Transactions	5	23,654,670	53,230,128	23,654,670	53,230,128
Cash and Cash Equivalents	6	218,318,058	189,657,219	219,549,068	190,812,404
Current Portion of Long-term Receivables	11	400,000	400,000	400,000	400,000
Non-Current Assets		3,159,264,623	3,198,294,151	3,159,264,623	3,198,294,151
Property, Plant and Equipment	7	3,115,763,625	3,184,205,368	3,115,763,625	3,184,205,368
Intangible Assets	8	82,025	126,472	82,025	126,472
Investment Property	9	10,700,000	10,700,000	10,700,000	10,700,000
Non-current Investments	10	29,867,623	-	29,867,623	-
Long-term Receivables	11	2,851,350	3,262,311	2,851,350	3,262,311
Total Assets		3,845,413,394	3,909,201,127	3,846,644,404	3,910,393,392
LIABILITIES					
Current Liabilities		116,021,099	151,578,091	116,039,551	151,585,433
Consumer Deposits	12	11,147,969	10,757,649	11,147,969	10,757,649
Provisions	13	7,579,849	8,435,933	7,579,849	8,435,933
Creditors	14	61,000,071	124,601,643	61,018,523	124,608,985
Unspent Conditional Grants and Receipts	15	31,526,409	6,900,500	31,526,409	6,900,500
Current Portion of Long-term Liabilities	16	4,766,801	882,367	4,766,801	882,367
Non-Current Liabilities		228,404,655	140,690,620	228,404,655	140,690,620
Long-term Liabilities	16	89,701,411	21,007,586	89,701,411	21,007,586
Non-current Provisions	17	138,703,244	119,683,034	138,703,244	119,683,034
Total Liabilities		344,425,755	292,268,711	344,444,207	292,276,053
Total Assets and Liabilities		3,500,987,640	3,616,932,416	3,502,200,198	3,618,117,339
NET ASSETS					
Share Capital	18	-	-	1,152,810	1,152,810
Statutory Funds	19	12,877,744	12,482,043	12,877,744	12,482,043
Accumulated Surplus / (Deficit)	20	3,488,109,896	3,604,450,373	3,488,169,644	3,604,482,486
Total Net Assets		3,500,987,640	3,616,932,416	3,502,200,198	3,618,117,339

TLOKWE CITY COUNCIL GROUP
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012

TLOKWE LOCAL MUNICIPALITY			TLOKWE LOCAL MUNICIPALITY			GROUP	
Budget			Actual			Actual	
2011	2012		Note	2012	2011	2012	2011
R	R			R	R	R	R
REVENUE							
Revenue from Non-exchange Transactions							
79,402,332	90,069,329	Property Rates	21	90,593,412	80,360,659	90,593,412	80,360,659
12,075,000	3,082,900	Fines		4,704,114	6,854,447	4,704,114	6,854,447
2,150,000	3,911,031	Licences and Permits		4,683,883	5,087,302	4,683,883	5,087,302
250,000	250,000	Income for Agency Services		309,548	334,130	309,548	334,130
126,921,062	120,353,018	Government Grants and Subsidies Received	25	95,681,094	110,063,306	95,681,094	110,063,306
Revenue from Exchange Transactions							
3,500,000	3,500,000	Interest Earned - External Investments	22	11,061,193	8,526,311	11,061,193	8,526,311
18,000,000	13,000,000	Interest Earned - Outstanding Debtors	22	12,249,459	15,542,059	12,249,459	15,542,059
470,747,451	614,560,293	Service Charges	23	565,665,318	476,112,036	565,665,318	476,112,036
3,917,960	3,585,527	Rental of Facilities and Equipment	24	4,111,865	4,820,234	4,111,865	4,820,234
16,907,543	10,986,798	Other Income	26	15,417,152	14,088,501	15,455,897	14,127,516
(9,294,993)	(34,000)	Revenue Foregone		-	-	-	-
724,576,355	863,264,896	Total Revenue		804,477,037	721,788,985	804,515,782	721,828,000
EXPENDITURE							
211,849,299	246,401,987	Employee Related Costs	27	236,894,076	215,976,607	236,894,076	215,976,607
11,284,398	14,290,910	Remuneration of Councillors	28	14,440,475	11,247,434	14,440,475	11,247,434
29,698,786	31,853,825	Depreciation and Amortisation	29	158,824,037	155,537,946	158,824,037	155,537,946
9,000,000	10,000,000	Impairment Losses	30	26,413,517	17,549,168	26,413,517	17,549,168
10,840,612	5,522,658	Finance Costs	31	6,611,310	4,232,911	6,611,310	4,232,911
218,988,180	257,972,715	Bulk Purchases	32	252,414,027	208,709,326	252,414,027	208,709,326
36,208,087	42,379,948	Contracted Services		40,303,254	31,487,410	40,303,254	31,487,410
25,352,335	38,274,358	Grants and Subsidies Paid	33	41,254,188	31,365,464	41,254,188	31,365,464
116,557,635	152,118,248	General Expenses and Maintenance	34	121,275,251	100,093,174	121,286,361	100,100,516
-	-	Loss with Sale / Transfer of Assets		21,991,678	22,630,000	21,991,678	22,630,000
669,779,332	798,814,649	Total Expenditure		920,421,813	798,829,440	920,432,923	798,836,782
54,797,023	64,450,247	SURPLUS / (DEFICIT) FOR THE YEAR		(115,944,776)	(77,040,455)	(115,917,141)	(77,008,782)
Refer to Appendix E(1) for explanation of budget variances							

Include details of restatement of prior year figures, due to errors and changes in accounting policies

Ex. The prior year's comparative figures have been restated due to the recording of correction of errors. Please refer to Note 35 for details of the restatements mentioned.

TLOKWE CITY COUNCIL GROUP
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2012

Description	TLOKWE LOCAL MUNICIPALITY			GROUP				
	Housing Development Fund	Total for Accumulated Surplus/(Deficit) Account	Total	Housing Development Fund	Share Capital	Share Premium	Total for Accumulated Surplus/(Deficit) Account	Total
	R	R	R	R	R		R	R
Balance at 30 JUNE 2009	11,897,965	1,659,780,091	1,671,678,056	11,897,965	-	-	1,659,780,091	1,671,678,056
2010								
Surplus / (Deficit) for the year		77,184,622	77,184,622	-	-	-	77,185,062	77,185,062
Transfer from Housing Development Fund	193,857	(193,857)	-	193,857	-	-	(193,857)	-
Correction of Error (Note 35)	-	1,945,110,193	1,945,110,193	-	-	-	1,945,110,193	1,945,110,193
Issue of shares	-	-	-	-	100	-	-	100
Balance at 30 JUNE 2010	12,091,822	3,681,881,049	3,693,972,872	12,091,822	100	-	3,681,881,489	3,693,973,412
2011								
Restated Balance	12,091,822	3,681,881,049	3,693,972,872	12,091,822	100		3,681,881,489	3,693,973,412
Surplus / (Deficit) for the year	-	(77,040,455)	(77,040,455)	-	-	-	(77,008,782)	(77,008,782)
Transfer from Housing Development Fund	390,220	(390,220)	-	390,220	-	-	(390,220)	-
Issue of shares	-	-	-	-	256	1,152,554	-	1,152,810.00
Shares cancelled	-	-	-	-	(100)	-	-	(100)
Balance at 30 JUNE 2011	12,482,043	3,604,450,374	3,616,932,416	12,482,043	256	1,152,554	3,604,482,487	3,618,117,339
2012								
Restated Balance	12,482,043	3,604,450,374	3,616,932,416	12,482,043	256	1,152,554	3,604,482,487	3,618,117,339
Surplus / (Deficit) for the year	-	(115,944,776)	(115,944,776)	-	-	-	(115,917,141)	(115,917,141)
Transfer from Housing Development Fund	395,701	(395,701)	-	395,701	-	-	(395,701)	-
Balance at 30 JUNE 2012	12,877,744	3,488,109,897	3,500,987,640	12,877,744	256	1,152,554	3,488,169,645	3,502,200,198
	-		0.00					

Details on the movement of the Funds and Reserves are set out in Note 18,19 and 20

TLOKWE CITY COUNCIL GROUP
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

		TLOKWE LOCAL MUNICIPALITY		GROUP	
	Note	2012 R	2011 R	2012 R	2011 R
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from Ratepayers, Government and Other		780,680,532	677,198,666	780,680,532	677,198,766
Taxation		90,593,412	80,360,659	90,593,412	80,360,759
Sale of goods and services		541,868,813	431,521,717	541,868,813	431,521,717
Grants		95,681,094	110,063,306	95,681,094	110,063,306
Interest received		23,310,652	24,068,370	23,310,652	24,068,370
Other Receipts		29,226,562	31,184,614	29,226,562	31,184,614
Cash paid to Suppliers and Employees		(714,596,866)	(537,812,006)	(714,548,676)	(538,172,504)
Employee Cost		251,334,551	227,224,041	251,334,551	227,224,041
Suppliers		413,992,532	306,355,054	413,944,342	306,715,552
Interest paid		6,611,310	4,232,911	6,611,310	4,232,911
Other payments		42,252,634	-	42,252,634	-
Cash generated from / (utilised in) Operations	36	66,083,666	139,386,660	66,131,856	139,026,262
Interest received	22	23,310,652	24,068,370	23,349,397	24,107,285
Interest paid	31	(6,611,310)	(4,232,911)	(6,611,310)	(4,232,911)
Tax paid		-	-	(11,110)	(7,342)
NET CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		82,783,007	159,222,119	82,858,832	158,893,294
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Property, Plant and Equipment	7	(97,243,765)	(81,605,002)	(97,243,765)	(81,605,002)
(Increase) / decrease in Non-current Investments	10	(29,867,623)	31,163,860	(29,867,623)	31,163,860
(Increase) / decrease in Long-term Receivables	11	410,961	3,967,248	410,961.17	3,967,248
NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		(126,700,427)	(46,473,894)	(126,700,427)	(46,473,894)
CASH FLOWS FROM FINANCING ACTIVITIES					
Loans obtained	16	72,578,259	-	72,578,259	-
Loans repaid		-	(1,273,091)	-	(1,273,091)
Proceeds shares issued		-	-	-	1,152,710.00
NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		72,578,259	(1,273,091)	72,578,259	(120,381)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	6	28,660,839	111,475,134	28,736,664	112,299,019
Cash and Cash Equivalents at the beginning of the year		189,657,219	78,182,085	190,812,404	78,513,385
Cash and Cash Equivalents at the end of the year		218,318,058	189,657,219	219,549,068	190,812,404

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

1. GENERAL INFORMATION

Tlokwe Municipality is a local government institution in Potchefstroom, North West Province. The addresses of its registered office and principal place of business are disclosed under "General Information" included in the Consolidated Annual Financial Statements and in the introduction and overview of the Annual Report. The principal activities of the municipality are disclosed in the Annual Report and are prescribed by the Constitution.

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012	2011	2012	2011
	R	R	R	R
2. INVENTORY				
Stores - at Cost	14,372,161	12,388,949	14,372,161	12,388,949
Land Stock	321,400,460	356,607,460	321,400,460	356,607,460
Water - at Cost	216,796	175,354	216,796	175,354
Total Inventory	335,989,417	369,171,763	335,989,417	369,171,763
Reconciliation				
Opening Balance	12,388,949	13,174,126	12,388,949	13,174,126
Stock received	16,487,512	12,239,247	16,487,512	12,239,247
Stock issued	(14,504,300)	(13,024,424)	(14,504,300)	(13,024,424)
Closing Balance	14,372,161	12,388,949	14,372,161	12,388,949

This reconciliation consists of consumables stores, maintenance materials and spare parts.

Inventory has been restated to adhere to the disclosure provisions for Assets classified as Held-for-Sale. Refer to Note 35 on "Correction of Error" for details of the restatement.

Inventories are held for own use with the result that no write downs of Inventory to Net Realisable Value were required.

Inventory is net of specific provisions for obsolescence.

Inventory deficits to the value of R 1,6 million (2011: R 2,8 million) and inventory surpluses to the value of R 1,1 million (2011: R 1 million) was identified at year end. This resulted in inventory being decreased with a net amount of R542 156 at year end.

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012	2011	2012	2011
	R	R	R	R
3. NON-CURRENT ASSETS HELD-FOR-SALE				
Property Held-for-Sale - at Cost	7,054,000	7,372,000	7,054,000	7,372,000
Total Assets classified as Held-for-Sale	7,054,000	7,372,000	7,054,000	7,372,000
Liabilities associated with Assets classified as Held-for-Sale	-	-	-	-
Net Assets classified as Held-for-Sale	7,054,000	7,372,000	7,054,000	7,372,000

3.1 Property Held-for-Sale

The municipality intends to dispose of a parcel of land it no longer utilises in the next few months.

4. TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS

	TLOKWE LOCAL MUNICIPALITY		
	Gross	Provision for	Net
	Balances	Impairment	Balances
	R	R	R
As at 30 JUNE 2012			
Service Debtors:	83,582,376	36,200,331	47,382,045
Electricity	44,104,688	20,332,290	23,772,398
Refuse	6,635,616	2,707,928	3,927,688
Sewerage	10,340,494	4,126,714	6,213,780
Water	22,501,578	9,033,399	13,468,179
Other Debtors	90,413,454	37,062,871	53,350,582
Total Consumer Debtors	173,995,829	73,263,202	100,732,627

TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS

	GROUP		
	Gross	Provision for	Net
	Balances	Impairment	Balances
	R	R	R
As at 30 JUNE 2012			
Service Debtors:	83,582,376	36,200,331	47,382,045
Electricity	44,104,688	20,332,290	23,772,398
Refuse	6,635,616	2,707,928	3,927,688
Sewerage	10,340,494	4,126,714	6,213,780
Water	22,501,578	9,033,399	13,468,179
Other Debtors	90,413,454	37,062,871	53,350,582
Total Consumer Debtors	173,995,829	73,263,202	100,732,627

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	TLOKWE LOCAL MUNICIPALITY		
	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 JUNE 2011			
Service Debtors:	83,565,956	35,223,769	48,342,187
Electricity	48,132,206	20,442,949	27,689,257
Refuse	6,296,373	2,667,721	3,628,652
Sewerage	9,101,750	3,759,055	5,342,695
Water	20,035,627	8,354,044	11,681,583
Other Debtors	73,924,527	31,190,847	42,733,679
Total Consumer Debtors	157,490,482	66,414,616	91,075,866

	GROUP		
	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 JUNE 2011			
Service Debtors:	83,565,956	35,223,769	48,342,187
Electricity	48,132,206	20,442,949	27,689,257
Refuse	6,296,373	2,667,721	3,628,652
Sewerage	9,101,750	3,759,055	5,342,695
Water	20,035,627	8,354,044	11,681,583
Other Debtors	73,961,607	31,190,847	42,770,759
Total Consumer Debtors	157,527,562	66,414,616	91,112,946

Consumer Debtors are billed monthly, normally on the 23rd of each month. No interest is charged on trade receivables until the 7th of the following month. Thereafter interest is charged at a rate determined by council on the outstanding balance. A Credit Control Debt Collection and Indigent By-law has been approved by council to ensure recovery of Consumer Debtors.

The municipality receives applications for water and electricity connections that it processes. Deposits are required to be paid for all water and electricity accounts opened.

The management of the municipality is of the opinion that the carrying value of Consumer Debtors approximate their fair values.

The fair value of Consumer Debtors was determined after considering the standard terms and conditions of agreements entered into between the municipality and Consumer Debtors as well as the current payment ratio's of the municipality's Consumer Debtors.

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012 R	2011 R	2012 R	2011 R
4.1 Ageing of Consumer Debtors				
Electricity: Ageing				
<u>Current:</u>				
0 - 30 days	36,804,553	40,866,657	36,804,553	40,866,657
<u>Past Due:</u>				
31 - 60 Days	1,533,467	2,376,868	1,533,467	2,376,868
61 - 90 Days	938,571	545,217	938,571	545,217
91 - 120 Days	633,643	323,590	633,643	323,590
+ 120 Days	4,194,455	4,019,874	4,194,455	4,019,874
Total	44,104,688	48,132,206	44,104,688	48,132,206
Refuse: Ageing				
<u>Current:</u>				
0 - 30 days	1,700,041	1,479,508	1,700,041	1,479,508
<u>Past Due:</u>				
31 - 60 Days	472,201	396,869	472,201	396,869
61 - 90 Days	351,900	265,248	351,900	265,248
91 - 120 Days	294,216	213,092	294,216	213,092
+ 120 Days	3,817,258	3,941,655	3,817,258	3,941,655
Total	6,635,616	6,296,373	6,635,616	6,296,373
Sewerage: Ageing				
<u>Current:</u>				
0 - 30 days	2,665,786	2,408,264	2,665,786	2,408,264
<u>Past Due:</u>				
31 - 60 Days	722,544	613,723	722,544	613,723
61 - 90 Days	671,430	336,549	671,430	336,549
91 - 120 Days	581,020	256,043	581,020	256,043
+ 120 Days	5,699,714	5,487,172	5,699,714	5,487,172
Total	10,340,494	9,101,750	10,340,494	9,101,750
Water: Ageing				
<u>Current:</u>				
0 - 30 days	9,956,808	8,200,046	9,956,808	8,200,046
<u>Past Due:</u>				
31 - 60 Days	1,053,783	1,984,180	1,053,783	1,984,180
61 - 90 Days	752,768	494,946	752,768	494,946
91 - 120 Days	789,959	396,528	789,959	396,528
+ 120 Days	9,948,260	8,959,927	9,948,260	8,959,927
Total	22,501,578	20,035,627	22,501,578	20,035,627

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

4.2 Summary of Debtors by Customer Classification

TLOKWE LOCAL MUNICIPALITY					
	Household	Industrial/ Commercial	National and Provincial Government	Other	Total
	R	R	R	R	R
As at 30 JUNE 2012					
<u>Current:</u>					
0 - 30 days	8,669,189	1,272,657	1,301,365	4,575,793	15,819,005
<u>Past Due:</u>					
31 - 60 Days	32,793,270	6,670,530	9,916,714	2,069,508	51,450,023
61 - 90 Days	6,295,224	516,409	1,396,998	919,308	9,127,939
+ 90 Days	5,297,192	589,450	1,121,188	710,707	7,718,536
+ 120 Days	72,508,375	5,793,211	4,573,354	7,005,386	89,880,326
Sub-total	125,563,250	14,842,257	18,309,620	15,280,702	173,995,829
Less: Provision for Impairment	70,450,040	2,813,162	-	-	73,263,202
Total Debtors Classification	55,113,210	12,029,095	18,309,620	15,280,702	100,732,627

GROUP					
	Household	Industrial/ Commercial	National and Provincial Government	Other	Total
	R	R	R	R	R
As at 30 JUNE 2012					
<u>Current:</u>					
0 - 30 days	8,669,189	1,272,657	1,301,365	4,575,793	15,819,005
<u>Past Due:</u>					
31 - 60 Days	32,793,270	6,670,530	9,916,714	2,069,508	51,450,023
61 - 90 Days	6,295,224	516,409	1,396,998	919,308	9,127,939
+ 90 Days	5,297,192	589,450	1,121,188	710,707	7,718,536
+ 120 Days	72,508,375	5,793,211	4,573,354	7,005,386	89,880,326
Sub-total	125,563,250	14,842,257	18,309,620	15,280,702	173,995,829
Less: Provision for Impairment	70,450,040	2,813,162	-	-	73,263,202
Total Debtors Classification	55,113,210	12,029,095	18,309,620	15,280,702	100,732,627

TLOKWE LOCAL MUNICIPALITY					
	Household	Industrial/ Commercial	National and Provincial Government	Other	Total
	R	R	R	R	R
As at 30 JUNE 2011					
<u>Current:</u>					
0 - 30 days	20,639,977	10,839,678	5,698,006	7,193,286	44,370,947
<u>Past Due:</u>					
31 - 60 Days	5,278,694	711,895	3,198,183	-	9,188,772
61 - 90 Days	3,426,081	789,563	625,163	-	4,840,807
+ 90 Days	3,021,981	381,383	391,028	-	3,794,392
+ 120 Days	83,479,309	7,234,406	4,581,849	-	95,295,564
Sub-total	115,846,042	19,956,925	14,494,229	7,193,286	157,490,482
Less: Provision for Impairment	51,191,044	8,818,737	6,404,834	-	78,329,665
Total Debtors Classification	64,654,998	11,138,188	8,089,395	7,193,286	91,075,866

GROUP					
	Household	Industrial/ Commercial	National and Provincial Government	Other	Total
	R	R	R	R	R
As at 30 JUNE 2011					
<u>Current:</u>					
0 - 30 days	20,639,977	10,839,678	5,698,006	7,193,286	44,370,947
<u>Past Due:</u>					
31 - 60 Days	5,278,694	711,895	3,198,183	-	9,188,772
61 - 90 Days	3,426,081	789,563	625,163	-	4,840,807
+ 90 Days	3,021,981	381,383	391,028	-	3,794,392
+ 120 Days	83,479,309	7,234,406	4,581,849	-	95,295,564
Sub-total	115,846,042	19,956,925	14,494,229	7,193,286	157,490,482
Less: Provision for Impairment	51,191,044	8,818,737	6,404,834	-	78,329,665
Total Debtors Classification	64,654,998	11,138,188	8,089,395	7,193,286	91,075,866

				TLOKWE LOCAL MUNICIPALITY		GROUP	
				2012	2011	2012	2011
				R	R	R	R
4.3 Reconciliation of the Provision for Impairment							
Balance at beginning of year				66,414,616	76,131,570	66,414,616	76,131,570
Impairment Losses - Consumer Debtors				970,639	(10,744,950)	970,639	(10,744,950)
Impairment Losses - Arrangements				5,877,947	1,027,996	5,877,947	1,027,996

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Balance at end of year	73,263,202	66,414,616	73,263,202	66,414,616
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In determining the recoverability of debtors, the municipality has placed strong emphasis on verifying the indigent status of consumers. Provision for impairment of Consumer Debtors has been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. No further credit provision is required in excess of the Provision for Impairment.

In determining the recoverability of a Consumer Debtor, the municipality considers any change in the credit quality of the Consumer Debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Provision for Impairment.

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012	2011	2012	2011
	R	R	R	R
5. TRADE RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS				
Assessment Rates Debtors	29,702,947	27,919,642	29,702,947	27,919,642
Payments made in Advance	208,918	72,610	208,918	72,610
Sundry Debtors	24,766,117	21,273,938	24,766,117	21,273,938
VAT	(0)	14,761,413	(0)	14,761,413
	54,677,983	64,027,602	54,677,983	64,027,602
Less: Provision for Impairment	(31,023,313)	(10,797,474)	(31,023,313)	(10,797,474)
Total Trade Receivables from Non-Exchange Transactions	23,654,670	53,230,128	23,654,669.92	53,230,128

VAT is payable on the receipts basis. Only once payment is received from debtors, VAT is paid over to SARS.

No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies. The municipality has financial risk policies in place to ensure that payments are affected before the due date.

Other Debtors have been restated to correctly classify amounts to be included in Other Debtors. Refer to Note 34 on "Correction of Error" for details of the restatement.

	TLOKWE LOCAL MUNICIPALITY		
	Gross Balances	Provision for Impairment	Net Balances
	R	R	R
As at 30 JUNE 2012			
Service Debtors:	29,702,947	11,999,069	17,703,878
Assessment Rates	29,702,947	11,999,069	17,703,878
Total Assessment Rates Debtors	29,702,947	11,999,069.06	17,703,878

	GROUP		
	Gross Balances	Provision for Impairment	Net Balances
	R	R	R
As at 30 JUNE 2012			
Service Debtors:	29,702,947	11,999,069	17,703,878
Assessment Rates	29,702,947	11,999,069	17,703,878
Total Assessment Rates Debtors	29,702,947	11,999,069.06	17,703,878

	TLOKWE LOCAL MUNICIPALITY		
	Gross Balances	Provision for Impairment	Net Balances
	R	R	R
As at 30 JUNE 2011			
Service Debtors:	27,919,642	10,797,474	17,122,168
Assessment Rates	27,919,642	10,797,474	17,122,168
Total Assessment Rates Debtors	27,919,642	10,797,474	17,122,168

	GROUP		
	Gross Balances	Provision for Impairment	Net Balances
	R	R	R
As at 30 JUNE 2011			
Service Debtors:	27,919,642	10,797,474	17,122,168
Assessment Rates	27,919,642	10,797,474	17,122,168
Total Assessment Rates Debtors	27,919,642	10,797,474	17,122,168

5.1. Ageing of Consumer Debtors	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012	2011	2012	2011
	R	R	R	R
Rates: Ageing				
<u>Current:</u>				
0 - 30 days	6,481,512	3,010,944	6,481,512	3,010,944
<u>Past Due:</u>				
31 - 60 Days	2,056,993	1,517,891	2,056,993	1,517,891
61 - 90 Days	1,687,689	1,254,191	1,687,689	1,254,191
91 - 120 Days	1,763,619	1,164,316	1,763,619	1,164,316

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

+ 120 Days	17,713,134	18,414,384	17,713,134	18,414,384
Total	29,702,947	25,361,726	29,702,947	25,361,726

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012	2011	2012	2011
	R	R	R	R
5.2. Reconciliation of the Provision for Impairment				
Balance at beginning of year	10,797,475	13,458,741	10,797,475	13,458,741
Impairment Losses - Consumer Debtors	20,225,838	(2,661,266)	20,225,838	(2,661,266)
Balance at end of year	31,023,313	10,797,475	31,023,313	10,797,475

6. CASH AND CASH EQUIVALENTS

Bank, Cash and Cash Equivalents	47,721,353	92,579,615	47,721,353	92,579,615
Current Investment Deposits	170,596,705	97,077,604	171,827,715	98,232,789
Total Cash and Cash Equivalents	218,318,058	189,657,219	219,549,068	190,812,404

For the purposes of the Statement of Financial Position and the Cash Flow Statement, Cash and Cash Equivalents include Cash-on-Hand, Cash in Banks and Investments in Money Market Instruments, net of outstanding Bank Overdrafts.

6.1 Current Investment Deposits	2012	2011	2012	2011
	R	R	R	R
Notice Deposits	170,596,705	97,077,604	171,827,715	98,232,789
Total Current Investment Deposits	170,596,705	97,077,604	171,827,715	98,232,789
	170,596,705	97,077,604		

Notice Deposits are investments with a maturity period of less than 12 months and earn interest rates varying from 5.50 % to 6.61 % per annum.

The Municipality has the following bank accounts:

	2012	2011	2012	2011
	R	R	R	R
6.2 Bank Accounts				

Primary Bank Account

Absa Bank Limited (Potchefstroom) & Nedbank Bank Limited (Pretoria) - Account number 680000093 & 1497222400

Cash book balance at beginning of year	71,113,404	(3,332,268)	71,113,404	(3,332,268)
Cash book balance at end of year	25,289,340	71,113,404	25,289,340	71,113,404
Bank statement balance at beginning of year	65,531,142	33,021,361	65,531,142	33,021,361
Bank statement balance at end of year	38,275,379	65,531,142	38,275,379	65,531,142

The Cash book balance is indicating an overdraft however the Council do not have an overdraft facility; this overdraft is reconciled to the Bank Statement Balance.

Current Account (Housing Account)

Absa Bank Limited - Potchefstroom Branch - Account number 4055584178

Cash book balance at beginning of year	11,384,892	10,826,959	11,384,892	10,826,959
Cash book balance at end of year	11,944,982	11,384,892	11,944,982	11,384,892
Bank statement balance at beginning of year	11,907,181	9,333,776	11,907,181	9,333,776
Bank statement balance at end of year	12,300,266	11,907,181	12,300,266	11,907,181

Current Account (Council Grant Funds)

Absa Bank Limited - Potchefstroom Branch - Account number 4055583287

Cash book balance at beginning of year	10,053,641	9,697,216	10,053,641	9,697,216
Cash book balance at end of year	10,385,017	10,053,641	10,385,017	10,053,641
Bank statement balance at beginning of year	10,053,641	9,697,216	10,053,641	9,697,216
Bank statement balance at end of year	10,385,017	10,053,641	10,385,017	10,053,641

6.3 Cash and Cash equivalents

Cash Floats and Advances	30,392	29,142	30,392	29,142
Other Cash Equivalents	71,622	(1,464)	71,622	(1,464)
Cash on hand in Cash Floats, Advances and Equivalents	102,014	27,679	102,014	27,679

The management of the municipality is of the opinion that the carrying value of Bank Balances, Cash and Cash Equivalents recorded at amortised cost in the Annual Financial Statements approximate their fair values.

The fair value of Bank Balances, Cash and Cash Equivalents were determined after considering the standard terms and conditions of agreements entered into between the municipality and financial institutions.

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

7. PROPERTY, PLANT AND EQUIPMENT (TLOKWE CITY COUNCIL)

30 JUNE 2012

Reconciliation of Carrying Value

Description	Land and Buildings	Infra-structure	Community	Heritage	Other	Housing Development Fund	Leased Infra-structure	Total
	R	R	R	R	R	R	R	R
Carrying values at 01 JULY 2011	597,425,270	2,289,477,143	179,731,402	838,371	65,629,584	51,103,598	-	3,184,205,368
Cost	677,534,524	3,884,897,294	252,547,229	838,371	92,088,025	81,016,117	-	4,988,921,559
- Completed Assets	677,534,524	3,884,897,294	252,547,229	838,371	92,088,025	81,016,117	-	4,988,921,559
- Under Construction	-	-	-	-	-	-	-	-
Correction of error (Note 35)	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Accumulated Impairment Losses	-	-	-	-	-	-	-	-
Accumulated Depreciation:	(80,109,254)	(1,595,420,152)	(72,815,826)	-	(26,458,441)	(29,912,519)	-	(1,804,716,191)
- Cost	(80,109,254)	(1,595,420,152)	(72,815,826)	-	(26,458,441)	(29,912,519)	-	(1,804,716,191)
- Correction of error	-	-	-	-	-	-	-	-
Acquisitions	4,957,891	75,427,301	2,582,542	-	14,276,032	-	-	97,243,766
Revaluations	-	-	-	-	-	-	-	-
Capital under Construction - Additions	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-
- Borrowing Costs Capitalised	-	-	-	-	-	-	-	-
Increases in Revaluation	-	-	-	-	-	-	-	-
Reversals of Impairment Losses	-	-	-	-	-	-	-	-
Depreciation:	(17,484,110)	(111,885,282)	(11,556,467)	-	(14,154,664)	(3,699,068)	-	(158,779,590)
- Based on Cost	(17,484,110)	(111,885,282)	(11,556,467)	-	(14,154,664)	(3,699,068)	-	(158,779,590)
- Disposals	-	-	-	-	-	-	-	-
Carrying value of Disposals:	(3,060,800)	(67,239)	-	-	-3,777,880.68	-	-	(6,905,919)
- Cost	(3,060,800)	(67,239)	-	-	-3,777,880.68	-	-	(6,905,919)
- Revaluation	-	-	-	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- Based on Cost	-	-	-	-	-	-	-	-
- Based on Revaluation	-	-	-	-	-	-	-	-
Carrying value of Transfers to Held-for-Sale:	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-
- Revaluation	-	-	-	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- Based on Cost	-	-	-	-	-	-	-	-
- Based on Revaluation	-	-	-	-	-	-	-	-
Decreases in Revaluation	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-
Capital under Construction - Completed	-	-	-	-	-	-	-	-
Other Movements	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-
- Transfer of Land	-	-	-	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- Based on Cost	-	-	-	-	-	-	-	-
- Based on Revaluation	-	-	-	-	-	-	-	-
Carrying values at 30 JUNE 2012	581,838,252	2,252,951,923	170,757,477	838,371	61,973,071	47,404,531	-	3,115,763,625
Cost	679,431,615	3,960,257,356	255,129,771	838,371	102,586,176	81,016,117	-	5,079,259,406
- Completed Assets	679,431,615	3,960,257,356	255,129,771	838,371	102,586,176	81,016,117	-	5,079,259,406
- Under Construction	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Accumulated Impairment Losses	-	-	-	-	-	-	-	-
Accumulated Depreciation:	(97,593,363)	(1,707,305,433)	(84,372,293)	-	(40,613,105)	(33,611,586)	-	(1,963,495,781)
- Cost	(97,593,363)	(1,707,305,433)	(84,372,293)	-	(40,613,105)	(33,611,586)	-	(1,963,495,781)
- Revaluation	-	-	-	-	-	-	-	-

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

7. PROPERTY, PLANT AND EQUIPMENT (TLOKWE CITY COUNCIL) (Continued)

30 JUNE 2011

Reconciliation of Carrying Value

Description	Land and Buildings	Infra-structure	Community	Heritage	Other	Housing Development Fund	Leased Infra-structure	Total
	R	R	R	R	R	R	R	R
Carrying values at 01 JULY 2010	547,326,248	279,829,774	19,954,931	838,371	80,053,076	1,758,430	-	929,760,829
Cost	566,198,693	518,001,546	47,193,193	838,371	95,842,537	2,434,154	-	1,230,508,494
- Completed Assets	566,198,693	518,001,546	47,193,193	838,371	95,842,537	2,434,154	-	1,230,508,494
- Under Construction	-	-	-	-	-	-	-	-
Correction of error (Note 35)	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Accumulated Impairment Losses	-	-	-	-	-	-	-	-
Accumulated Depreciation:	(18,872,445)	(238,171,772)	(27,238,262)	-	(15,789,461)	(675,725)	-	(300,747,665)
- Cost	(18,872,445)	(238,171,772)	(27,238,262)	-	(15,789,461)	(675,725)	-	(300,747,665)
- Write-Off	-	-	-	-	-	-	-	-
Acquisitions	1,189,590	68,288,752	3,370,649	-	8,751,612	4,400.00	-	81,605,002
Revaluations	-	-	-	-	-	-	-	-
Capital under Construction - Additions	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-
- Borrowing Costs Capitalised	-	-	-	-	-	-	-	-
Increases in Revaluation	-	-	-	-	-	-	-	-
Reversals of Impairment Losses	-	-	-	-	-	-	-	-
Depreciation:	(17,357,016)	(110,172,127)	(11,408,626)	-	(13,112,259)	(3,487,918)	-	(155,537,946)
- Based on Cost	(17,357,016)	(110,172,127)	(11,408,626)	-	(13,112,259)	(3,487,918)	-	(155,537,946)
- Based on Revaluation	-	-	-	-	-	-	-	-
Carrying value of Disposals:	(365,000)	-	-	-	-	-	-	(365,000)
- Cost	-	-	-	-	-	-	-	-
- Revaluation	(365,000)	-	-	-	-	-	-	(365,000)
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- Based on Cost	-	-	-	-	-	-	-	-
- Based on Revaluation	-	-	-	-	-	-	-	-
Carrying value of transfer Assets Held For Sale	75,000	-	-	-	-	-	-	75,000
- Cost	75,000	-	-	-	-	-	-	75,000
- Revaluation	-	-	-	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- Based on Cost	-	-	-	-	-	-	-	-
- Based on Revaluation	-	-	-	-	-	-	-	-
Decreases in Revaluation	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-
Capital under Construction - Completed	-	-	-	-	-	-	-	-
Other Movements	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-
- Revaluation	-	-	-	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- Based on Cost	-	-	-	-	-	-	-	-
- Based on Revaluation	-	-	-	-	-	-	-	-
Carrying values at 30 JUNE 2011	597,425,270	2,289,477,143	179,731,402	838,371	65,629,584	51,103,598	-	3,184,205,368
Cost	677,534,524	3,884,897,294	252,547,229	838,371	92,088,025	81,016,117	-	4,988,921,559
- Completed Assets	567,098,283	586,290,297	50,563,842	838,371	104,137,307	2,438,554	-	1,311,366,654
- Correction of error (Note 35)	110,436,241	3,298,606,997	201,983,387	-	(12,049,282)	78,577,563	-	3,677,554,905
Revaluation	-	-	-	-	-	-	-	-
Correction of error (Note 35)	-	-	-	-	-	-	-	-
Accumulated Depreciation:	(80,109,254)	(1,595,420,152)	(72,815,826)	-	(26,458,441)	(29,912,519)	-	(1,804,716,191)
- Cost	(36,229,461)	(348,343,899)	(38,646,889)	-	(28,901,720)	(4,163,643)	-	(456,285,611)
- Correction of error (Note 35)	(43,879,793)	(1,247,076,253)	(34,168,938)	-	2,443,279	(25,748,875)	-	(1,348,430,580)

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

7. PROPERTY, PLANT AND EQUIPMENT (GROUP)

30 JUNE 2012

Reconciliation of Carrying Value

Description	Land and Buildings	Infra-structure	Community	Heritage	Other	Housing Development Fund	Leased Infra-structure	Total
	R	R	R	R	R	R	R	R
Carrying values at 01 JULY 2011	597,425,270	2,289,477,143	179,731,402	838,371	65,629,584	51,103,598	-	3,184,205,368
Cost	677,534,524	3,884,897,294	252,547,229	838,371	92,088,025	81,016,117	-	4,988,921,559
- Completed Assets	677,534,524	3,884,897,294	252,547,229	838,371	92,088,025	81,016,117	-	4,988,921,559
- Under Construction	-	-	-	-	-	-	-	-
Correction of error (Note 35)	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Accumulated Impairment Losses	-	-	-	-	-	-	-	-
Accumulated Depreciation:	(80,109,254)	(1,595,420,152)	(72,815,826)	-	(26,458,441)	(29,912,519)	-	(1,804,716,191)
- Cost	(80,109,254)	(1,595,420,152)	(72,815,826)	-	(26,458,441)	(29,912,519)	-	(1,804,716,191)
- Correction of error	-	-	-	-	-	-	-	-
Acquisitions	4,957,891	75,427,301	2,582,542	-	14,276,032	-	-	97,243,766
Revaluations	-	-	-	-	-	-	-	-
Capital under Construction - Additions	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-
- Borrowing Costs Capitalised	-	-	-	-	-	-	-	-
Increases in Revaluation	-	-	-	-	-	-	-	-
Reversals of Impairment Losses	-	-	-	-	-	-	-	-
Depreciation:	(17,484,110)	(111,885,282)	(11,556,467)	-	(14,154,664)	(3,699,068)	-	(158,779,590)
- Based on Cost	(17,484,110)	(111,885,282)	(11,556,467)	-	(14,154,664)	(3,699,068)	-	(158,779,590)
- Disposals	-	-	-	-	-	-	-	-
Carrying value of Disposals:	(3,060,800)	(67,239)	-	-	-3,777,880.68	-	-	(6,905,919)
- Cost	(3,060,800)	(67,239)	-	-	-3,777,880.68	-	-	(6,905,919)
- Revaluation	-	-	-	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- Based on Cost	-	-	-	-	-	-	-	-
- Based on Revaluation	-	-	-	-	-	-	-	-
Carrying value of Transfers to Held-for-Sale:	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-
- Revaluation	-	-	-	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- Based on Cost	-	-	-	-	-	-	-	-
- Based on Revaluation	-	-	-	-	-	-	-	-
Decreases in Revaluation	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-
Capital under Construction - Completed	-	-	-	-	-	-	-	-
Other Movements	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-
- Transfer of Land	-	-	-	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- Based on Cost	-	-	-	-	-	-	-	-
- Based on Revaluation	-	-	-	-	-	-	-	-
Carrying values at 30 JUNE 2012	581,838,252	2,252,951,923	170,757,477	838,371	61,973,071	47,404,531	-	3,115,763,625
Cost	679,431,615	3,960,257,356	255,129,771	838,371	102,586,176	81,016,117	-	5,079,259,406
- Completed Assets	679,431,615	3,960,257,356	255,129,771	838,371	102,586,176	81,016,117	-	5,079,259,406
- Under Construction	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Accumulated Impairment Losses	-	-	-	-	-	-	-	-
Accumulated Depreciation:	(97,593,363)	(1,707,305,433)	(84,372,293)	-	(40,613,105)	(33,611,586)	-	(1,963,495,781)
- Cost	(97,593,363)	(1,707,305,433)	(84,372,293)	-	(40,613,105)	(33,611,586)	-	(1,963,495,781)
- Revaluation	-	-	-	-	-	-	-	-

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

7. PROPERTY, PLANT AND EQUIPMENT (GROUP) (Continued)

30 JUNE 2011

Reconciliation of Carrying Value

Description	Land and Buildings	Infra-structure	Community	Heritage	Other	Housing Development Fund	Leased Infra-structure	Total
	R	R	R	R	R	R	R	R
Carrying values at 01 JULY 2010	547,326,248	279,829,774	19,954,931	838,371	80,053,076	1,758,430	-	929,760,829
Cost	566,198,693	518,001,546	47,193,193	838,371	95,842,537	2,434,154	-	1,230,508,494
- Completed Assets	566,198,693	518,001,546	47,193,193	838,371	95,842,537	2,434,154	-	1,230,508,494
- Under Construction	-	-	-	-	-	-	-	-
Correction of error (Note 35)	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Accumulated Impairment Losses	-	-	-	-	-	-	-	-
Accumulated Depreciation:	(18,872,445)	(238,171,772)	(27,238,262)	-	(15,789,461)	(675,725)	-	(300,747,665)
- Cost	(18,872,445)	(238,171,772)	(27,238,262)	-	(15,789,461)	(675,725)	-	(300,747,665)
- Write-Off	-	-	-	-	-	-	-	-
Acquisitions	1,189,590	68,288,752	3,370,649	-	8,751,612	4,400.00	-	81,605,002
Revaluations	-	-	-	-	-	-	-	-
Capital under Construction - Additions	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-
- Borrowing Costs Capitalised	-	-	-	-	-	-	-	-
Increases in Revaluation	-	-	-	-	-	-	-	-
Reversals of Impairment Losses	-	-	-	-	-	-	-	-
Depreciation:	(17,357,016)	(110,172,127)	(11,408,626)	-	(13,112,259)	(3,487,918)	-	(155,537,946)
- Based on Cost	(17,357,016)	(110,172,127)	(11,408,626)	-	(13,112,259)	(3,487,918)	-	(155,537,946)
- Based on Revaluation	-	-	-	-	-	-	-	-
Carrying value of Disposals:	(365,000)	-	-	-	-	-	-	(365,000)
- Cost	-	-	-	-	-	-	-	-
- Revaluation	(365,000)	-	-	-	-	-	-	(365,000)
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- Based on Cost	-	-	-	-	-	-	-	-
- Based on Revaluation	-	-	-	-	-	-	-	-
Carrying value of transfer Assets Held For Sale	75,000	-	-	-	-	-	-	75,000
- Cost	75,000	-	-	-	-	-	-	75,000
- Revaluation	-	-	-	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- Based on Cost	-	-	-	-	-	-	-	-
- Based on Revaluation	-	-	-	-	-	-	-	-
Decreases in Revaluation	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-
Capital under Construction - Completed	-	-	-	-	-	-	-	-
Other Movements	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-
- Revaluation	-	-	-	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- Based on Cost	-	-	-	-	-	-	-	-
- Based on Revaluation	-	-	-	-	-	-	-	-
Carrying values at 30 JUNE 2011	597,425,270	2,289,477,143	179,731,402	838,371	65,629,584	51,103,598	-	3,184,205,368
Cost	677,534,524	3,884,897,294	252,547,229	838,371	92,088,025	81,016,117	-	4,988,921,559
- Completed Assets	567,098,283	586,290,297	50,563,842	838,371	104,137,307	2,438,554	-	1,311,366,654
- Correction of error (Note 35)	110,436,241	3,298,606,997	201,983,387	-	(12,049,282)	78,577,563	-	3,677,554,905
Revaluation	-	-	-	-	-	-	-	-
Correction of error (Note 35)	-	-	-	-	-	-	-	-
Accumulated Depreciation:	(80,109,254)	(1,595,420,152)	(72,815,826)	-	(26,458,441)	(29,912,519)	-	(1,804,716,191)
- Cost	(36,229,461)	(348,343,899)	(38,646,889)	-	(28,901,720)	(4,163,643)	-	(456,285,611)
- Correction of error (Note 35)	(43,879,793)	(1,247,076,253)	(34,168,938)	-	2,443,279	(25,748,875)	-	(1,348,430,580)

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

7. PROPERTY, PLANT AND EQUIPMENT (Continued)	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012	2011	2012	2011
	R	R	R	R
7.1 Carrying Amount of Property, Plant and Equipment				
Land and Buildings	581,838,252	597,425,270	581,838,252	597,425,270
Infrastructure	2,252,951,923	2,289,477,143	2,252,951,923	2,289,477,143
Community	170,757,477	179,731,402	170,757,477	179,731,402
Heritage	838,371	838,371	838,371	838,371
Other	61,973,071	65,629,584	61,973,071	65,629,584
Housing Development Fund	47,404,531	51,103,598	47,404,531	51,103,598
Carrying Value of PPE fully depreciated and still in use	3,115,763,625	3,184,205,368	3,115,763,625	3,184,205,368

7.2 Assets pledged as security

No assets have been pledged as security.

7.3 Impairment of Property, Plant and Equipment:

Impairment of Property, Plant and Equipment was taken into consideration by the consultants, Ducharme Consulting (Pty) Ltd, during the process of identifying Property, Plant and Equipment and was included in the Depreciated Replacement Cost calculated during the exercise. The amounts for Impairment were not calculated separately and therefore no impaired values are disclosed.

7.4 Change in Estimate - Useful Life of Property, Plant and Equipment reviewed

The Remaining Useful Life of Property, Plant and Equipment was taken into consideration by the consultants, Ducharme Consulting (Pty) Ltd, during the process of identifying Property, Plant and Equipment and was included in the Depreciated Replacement Cost calculated during the exercise. The amounts for Change in Useful Life were not calculated separately and therefore no changes in values are disclosed.

7.5 Land and Buildings carried at Fair Value

Land and Buildings were revalued to fair value by using independent registered valuers. The effective date of revaluation was 01 July 2009. The NHBRC indices, which indicate current building costs, were used to determine replacement values.

7.6 Property Plant & Equipment (Work in Progress):

Work in progress for the year ending 30 June 2012 consisted out of the following:

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012	2011	2012	2011
	R	R	R	R
Roads	30,053,450	8,085,003	30,053,450	8,085,003
Electricity	7,374,066	23,467,431	7,374,066	23,467,431
Balance at end of year	37,427,515	31,552,435	37,427,515	31,552,435

8. INTANGIBLE ASSETS

At Cost less Accumulated Amortisation and Accumulated Impairment Losses

2012	2011	2012	2011
R	R	R	R
82,025	126,472	82,025	126,472

The movement in Intangible Assets is reconciled as follows:

	TLOKWE LOCAL MUNICIPALITY			
	Computer Software R	Valuation Roll R	Service and Operating rights R	Total R
Carrying values at 01 JULY 2011	-	-	126,472	126,472
Cost	2,207,240	-	1,543,048	3,750,288
Accumulated Amortisation	(2,207,240)	-	(1,416,576)	(3,623,816)
Accumulated Revaluation	-	-	-	-
Accumulated Impairment Losses	-	-	-	-
Amortisation during the Year:	-	-	(44,447)	(44,447)
Purchased	-	-	(44,447)	(44,447)
Internally Developed	-	-	-	-
Work-in-Progress at Year-end	-	-	-	-
Increases in Revaluations during the Year	-	-	-	-
Amortisation during the Year:	-	-	-	-
Purchased	-	-	-	-
Internally Developed	-	-	-	-
Impairment Losses during the Year	-	-	-	-
Disposals during the Year:	-	-	-	-
At Cost	-	-	-	-
At Accumulated Amortisation	-	-	-	-
At Accumulated Impairment	-	-	-	-
Decreases in Revaluations during the Year	-	-	-	-
Reversal of Impairment Losses during the Year	-	-	-	-
Transfers during the Year:	-	-	-	-
At Cost	-	-	-	-
At Accumulated Amortisation	-	-	-	-
At Accumulated Impairment	-	-	-	-
Carrying values at 30 JUNE 2012	-	-	82,025	82,025
Cost	2,207,240	-	1,543,048	3,750,841
Accumulated Amortisation	(2,207,240)	-	(1,461,023)	(3,623,816)
Accumulated Revaluation	-	-	-	-
Accumulated Impairment Losses	-	-	-	-

Computer Valuation Service and Total

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	Software R	Roll R	Operating rights R	R
Carrying values at 01 JULY 2010	-	-	188,589	188,589.41
Cost	2,207,240	-	1,605,165.41	3,812,405.41
Accumulated Amortisation	(2,207,240)	-	(1,416,576)	(3,623,816)
Accumulated Revaluation	-	-	-	-
Accumulated Impairment Losses	-	-	-	-
Acquisitions during the Year:	-	-	(62,117)	(62,117)
Purchased	-	-	(62,117)	(62,117)
Transfer from Property, Plant and Equipment	-	-	-	-
Work-in-Progress at Year-end	-	-	-	-
Increases in Revaluations during the Year	-	-	-	-
Amortisation during the Year:	-	-	-	-
Purchased	-	-	-	-
Transfer from Property, Plant and Equipment	-	-	-	-
Impairment Losses during the Year	-	-	-	-
Disposals during the Year:	-	-	-	-
At Cost	-	-	-	-
At Accumulated Amortisation	-	-	-	-
At Accumulated Impairment	-	-	-	-
Decreases in Revaluations during the Year	-	-	-	-
Reversal of Impairment Losses during the Year	-	-	-	-
Transfers during the Year:	-	-	-	-
At Cost	-	-	-	-
At Accumulated Amortisation	-	-	-	-
At Accumulated Revaluation	-	-	-	-
At Accumulated Impairment	-	-	-	-
Carrying values at 30 JUNE 2011	-	-	126,472	126,472
Cost	2,207,240	-	1,543,048	3,750,288
Accumulated Amortisation	(2,207,240)	-	(1,416,576)	(3,623,816)
Accumulated Revaluation	-	-	-	-
Accumulated Impairment Losses	-	-	-	-

GROUP

	Computer Software R	Valuation Roll R	Service and Operating rights R	Total R
Carrying values at 01 JULY 2011	-	-	126,472	126,472
Cost	2,207,240	-	1,543,048	3,750,288
Accumulated Amortisation	(2,207,240)	-	(1,416,576)	(3,623,816)
Accumulated Revaluation	-	-	-	-
Accumulated Impairment Losses	-	-	-	-
Amortisation during the Year:	-	-	(44,447)	(44,447)
Purchased	-	-	(44,447)	(44,447)
Internally Developed	-	-	-	-
Work-in-Progress at Year-end	-	-	-	-
Increases in Revaluations during the Year	-	-	-	-
Amortisation during the Year:	-	-	-	-
Purchased	-	-	-	-
Internally Developed	-	-	-	-
Impairment Losses during the Year	-	-	-	-
Disposals during the Year:	-	-	-	-
At Cost	-	-	-	-
At Accumulated Amortisation	-	-	-	-
At Accumulated Impairment	-	-	-	-
Decreases in Revaluations during the Year	-	-	-	-
Reversal of Impairment Losses during the Year	-	-	-	-
Transfers during the Year:	-	-	-	-
At Cost	-	-	-	-
At Accumulated Amortisation	-	-	-	-
At Accumulated Impairment	-	-	-	-
Carrying values at 30 JUNE 2012	-	-	82,025	82,025
Cost	2,207,240	-	1,543,048	3,705,841
Accumulated Amortisation	(2,207,240)	-	(1,461,023)	(3,623,816)
Accumulated Revaluation	-	-	-	-
Accumulated Impairment Losses	-	-	-	-

	Computer Software R	Valuation Roll R	Service and Operating rights R	Total R
Carrying values at 01 JULY 2010	-	-	188,589	188,589.41
Cost	2,207,240	-	1,605,165.41	3,812,405.41
Accumulated Amortisation	(2,207,240)	-	(1,416,576)	(3,623,816)
Accumulated Revaluation	-	-	-	-
Accumulated Impairment Losses	-	-	-	-
Acquisitions during the Year:	-	-	(62,117)	(62,117)
Purchased	-	-	(62,117)	(62,117)
Transfer from Property, Plant and Equipment	-	-	-	-
Work-in-Progress at Year-end	-	-	-	-
Increases in Revaluations during the Year	-	-	-	-
Amortisation during the Year:	-	-	-	-
Purchased	-	-	-	-
Transfer from Property, Plant and Equipment	-	-	-	-

Computer Software	Valuation Roll	Service and Operating rights	Total
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TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	R	R	R	R
Impairment Losses during the Year	-	-	-	-
Disposals during the Year:	-	-	-	-
At Cost	-	-	-	-
At Accumulated Amortisation	-	-	-	-
At Accumulated Impairment	-	-	-	-
Decreases in Revaluations during the Year	-	-	-	-
Reversal of Impairment Losses during the Year	-	-	-	-
Transfers during the Year:	-	-	-	-
At Cost	-	-	-	-
At Accumulated Amortisation	-	-	-	-
At Accumulated Revaluation	-	-	-	-
At Accumulated Impairment	-	-	-	-
Carrying values at 30 JUNE 2011	-	-	126,472	126,472
Cost	2,207,240	-	1,543,048	3,750,288
Accumulated Amortisation	(2,207,240)	-	(1,416,576)	(3,623,816)
Accumulated Revaluation	-	-	-	-
Accumulated Impairment Losses	-	-	-	-

The amortisation expense has been included in the line item "Depreciation and Amortisation" in the Statement of Financial Performance.

All of the municipality's Intangible Assets are held under freehold interests and no Intangible Assets had been pledged as security for any liabilities of the municipality.

No restrictions apply to any of the Intangible Assets of the municipality.

Refer to Appendix "B" for more detail on Intangible Assets.

9. INVESTMENT PROPERTY

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012 R	2011 R	2012 R	2011 R
At Fair Value				
At Cost less Accumulated Depreciation	<u>10,700,000</u>	<u>10,700,000</u>	<u>10,700,000</u>	<u>10,700,000</u>
The movement in Investment Property is reconciled as follows:				
Carrying values beginning of the year	10,700,000	10,700,000	10,700,000	10,700,000
Cost	-	-	-	-
Fair Value	10,700,000	10,700,000	10,700,000	10,700,000
Accumulated Depreciation	-	-	-	-
Accumulated Impairment Losses	-	-	-	-
Capitalised	-	-	-	-
Impairment Losses during the Year	-	-	-	-
Disposals during the Year:	-	-	-	-
At Cost	-	-	-	-
At Accumulated Depreciation	-	-	-	-
At Accumulated Impairment	-	-	-	-
Reversal of Impairment Losses during the Year	-	-	-	-
Transfers during the Year:	-	-	-	-
At Cost	-	-	-	-
At Accumulated Depreciation	-	-	-	-
At Accumulated Impairment	-	-	-	-
Carrying values at year end	10,700,000	10,700,000	10,700,000	10,700,000
Cost	-	-	-	-
Fair Value	10,700,000	10,700,000	10,700,000	10,700,000
Accumulated Depreciation	-	-	-	-
Accumulated Impairment	-	-	-	-
Estimated Fair Value of Investment Property at 30 June	10,700,000	10,700,000	10,700,000	10,700,000

There are no contractual obligations on Investment Property.
Refer to Appendix "B" for more detail on Investment Property.

10. NON-CURRENT INVESTMENTS

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012 R	2011 R	2012 R	2011 R
Financial Instruments				
Long-term Investments	<u>29,867,623</u>	<u>-</u>	<u>29,867,623</u>	<u>-</u>
Total Investments				
All Investments	29,867,623	-	29,867,623	-
	<u>29,867,623</u>	<u>-</u>	<u>29,867,623</u>	<u>-</u>

The fair value of Investments were determined after considering the standard terms and conditions of agreements entered into between the municipality and financial institutions.

	2012 R	2011 R	2012 R	2011 R
The Long-term investments consist of the following:				
Investec: Promissory Note	29,867,623	-	29,867,623	-
	<u>29,867,623</u>	<u>-</u>	<u>29,867,623</u>	<u>-</u>

11. LONG-TERM RECEIVABLES

	TLOKWE LOCAL MUNICIPALITY		
	Gross Balances	Provision for Impairment	Net Balances

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

As at 30 JUNE 2012

	R	R	R
Debtors Capitalised Arrear Services	-	-	-
Sale of Erven	3,251,350	-	3,251,350
	<u>3,251,350</u>	<u>-</u>	<u>3,251,350</u>
Less: Current Portion transferred to Current Receivables:-			400,000
Short-term portion of long-term receivables			<u>400,000</u>
Total Long-term Receivables			<u>2,851,350</u>

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 JUNE 2011			
Debtors Capitalised Arrear Services	-	-	-
Sale of Erven	3,662,311	-	3,662,311
	<u>3,662,311</u>	<u>-</u>	<u>3,662,311</u>
Less: Current Portion transferred to Current Receivables:-			400,000
Car Loans			<u>400,000</u>
Total Long-term Receivables			<u>3,262,311</u>

	Gross Balances R	GROUP Provision for Impairment R	Net Balances R
As at 30 JUNE 2012			
Debtors Capitalised Arrear Services	-	-	-
Sale of Erven	3,251,350	-	3,251,350
	<u>3,251,350</u>	<u>-</u>	<u>3,251,350</u>
Less: Current Portion transferred to Current Receivables:-			-
Short-term portion of long-term receivables			<u>-</u>
Total Long-term Receivables			<u>3,251,350</u>

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 JUNE 2011			
Debtors Capitalised Arrear Services	-	-	-
Sale of Erven	3,662,311	-	3,662,311
	<u>3,662,311</u>	<u>-</u>	<u>3,662,311</u>
Less: Current Portion transferred to Current Receivables:-			400,000
Car Loans			<u>400,000</u>
Total Long-term Receivables			<u>3,262,311</u>

DEBTORS CAPITALISED ARREAR SERVICES

Arrear amounts on services are capitalised on completion of a formal agreement or upon being handed over to attorneys for collection. These arrear amounts are then paid to the municipality in monthly instalments over a period not exceeding 60 months. No interest is charged on these amounts where the stipulations of the agreement are adhered to.

SALE OF ERVEN

As from 01 January 2006 no loan agreements are entered into for the sale of erven. The outstanding loans will be recovered over the remaining period of the individual loan agreements entered into.

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012 R	2011 R	2012 R	2011 R
12. CONSUMER DEPOSITS				
Electricity and Water	11,147,969	10,757,649	11,147,969	10,757,649
Total Consumer Deposits	<u>11,147,969</u>	<u>10,757,649</u>	<u>11,147,969</u>	<u>10,757,649</u>

Consumer Deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding account.

No interest is paid on Consumer Deposits held.

The management of the municipality is of the opinion that the carrying value of Consumer Deposits approximate their fair values.

The fair value of Consumer Deposits was determined after considering the standard terms and conditions of agreements entered into between the municipality and its consumers.

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012 R	2011 R	2012 R	2011 R
13. PROVISIONS				
Current Portion of Post-Retirement Health Care Benefits Liability (See Note below)	5,371,224	5,014,896	5,371,224	5,014,896
Current Portion of Long-term Service Awards (See Note below):	1,115,167	2,631,240	1,115,167	2,631,240
Performance Bonuses	1,093,458	789,797	1,093,458	789,797
Total Provisions	<u>7,579,849</u>	<u>8,435,933</u>	<u>7,579,849</u>	<u>8,435,933</u>

Long-Term Service

The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a Long-term Service Award is payable for every 5 years completed from 10 years of service completed to 45 years of service completed, inclusive.

Post-Retirement Health Care Benefits Liability

TLOKWE CITY COUNCIL GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

The municipality provides certain Post-retirement Health Care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The movement in current provisions are reconciled as follows:

Current Portion of Non-Current Provisions:	TLOKWE LOCAL MUNICIPALITY	GROUP
	Performance Bonuses	Performance Bonuses
	R	R
30 JUNE 2012		
Balance at beginning of year	696,266	696,266
Contributions to provision	397,192	397,192
Balance at end of year	1,093,458	1,093,458
30 JUNE 2011		
Balance at beginning of year	343,616	343,616
Contributions to provision	352,651	352,651
Balance at end of year	696,266	696,266

Current Portion of Non-Current Provisions:

	TLOKWE LOCAL MUNICIPALITY	
	Long-term Service	Post-retirement Benefit liability
	R	R
30 JUNE 2012		
Balance at beginning of year	1,116,784	4,334,052
Transfer from non-current	(1,116,784)	(4,334,052)
Contributions to provision	1,115,167	5,371,224
Balance at end of year	1,115,167	5,371,224
30 JUNE 2011		
Balance at beginning of year	670,228	4,334,052
Transfer from non-current	(670,228)	(4,334,052)
Contributions to provision	1,116,784	5,014,896
Balance at end of year	1,116,784	5,014,896

	TLOKWE LOCAL MUNICIPALITY	
	Long-term Service	Post-retirement Benefit liability
	R	R
30 JUNE 2012		
Balance at beginning of year	1,116,784	4,334,052
Transfer from non-current	(1,116,784)	(4,334,052)
Contributions to provision	1,115,167	5,371,224
Balance at end of year	1,115,167	5,371,224
30 JUNE 2011		
Balance at beginning of year	670,228	4,334,052
Transfer from non-current	(670,228)	(4,334,052)
Contributions to provision	1,116,784	5,014,896
Balance at end of year	1,116,784	5,014,896

14. CREDITORS	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012	2011	2012	2011
	R	R	R	R
Accrued leave	14,194,607	11,667,643	14,194,607	11,667,643
Engineering Services Contributions	9,047,101	5,451,002	9,047,101	5,451,002
Payments received in Advance	3,529,509	4,049,962	3,529,509	4,049,962
Payments received in Advance - Electricity Connections	197,853	21,901	197,853	21,901
Payments received in Advance - Halls	52,630	54,216	52,630	54,216
Payments received in Advance - Prepaid electricity	4,564,908	4,706,750	4,564,908	4,706,750
Accrual - Compensation insurance	1,347,318	689,761	1,347,318	689,761
Accrual - SALGA Wage Curve increase	2,796,745	2,613,780	2,796,745	2,613,780
Retentions	6,824,633	8,023,116	6,824,633	8,023,116
Suspense - Other	4,751,525	3,896,950	4,751,525	3,896,950
Trade Creditors	11,577,863	83,426,561	11,577,863	83,426,561
VAT	2,115,379	-	2,115,379	-
Total Creditors	61,000,071	124,601,643	61,000,071	124,601,643

The average credit period on purchases is 30 days from the receipt of the invoice, as determined by the MFMA. No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has financial risk policies in place to ensure that all payables are paid within the credit timeframe.

The management of the municipality is of the opinion that the carrying value of Creditors approximate their fair values.

The fair value of Creditors was determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties.

Staff Leave accrue to the staff of the municipality on an annual basis, subject to certain conditions. The accrual is an estimate of the amount due at the reporting date.

15. UNSPENT CONDITIONAL GRANTS AND RECEIPTS	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012	2011	2012	2011
	R	R	R	R

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

15.1 Conditional Grants from Government	29,307,814	5,598,830	29,307,814	5,598,830
National Government Grants	20,477,827	1,324,547	20,477,827	1,324,547
Provincial Government Grants	2,751,531	2,927,119	2,751,531	2,927,119
Local Government Grants	3,000,000	90,207	3,000,000	90,207
Other Spheres of Government	3,078,457	1,256,957	3,078,457	1,256,957
15.2 Other Conditional Receipts	2,218,595	1,301,670	2,218,595	1,301,670
Lotto: Sport Facilities	2,218,595	1,301,670	2,218,595	1,301,670
Total Conditional Grants and Receipts	31,526,409	6,900,500	31,526,409	6,900,500

Refer to Appendix "F" for more detail on Conditional Grants.

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012	2011	2012	2011
	R	R	R	R
16. LONG-TERM LIABILITIES				
Annuity Loans	94,468,212	21,889,953	94,468,212	21,889,953
Sub-total	94,468,212	21,889,953	94,468,212	21,889,953
Less: Current Portion transferred to Current Liabilities:-	4,766,801	882,367	4,766,801	882,367
Annuity Loans	4,766,801	882,367	4,766,801	882,367
Total Long-term Liabilities (Neither past due, nor impaired)	89,701,411	21,007,586	89,701,411	21,007,586

16.1 Summary of Arrangements

Annuity Loans are repaid over a period of 20 years and at interest rates varying from 11.62% to 14.93% (2011: 14.79% to 14.98%) per annum.

The management of the municipality is of the opinion that the carrying value of Long-term Liabilities recorded at amortised cost in the Annual Financial Statements approximate their fair values.

The fair value of Long-term Liabilities was determined after considering the standard terms and conditions of agreements entered into between the municipality and the relevant financing institutions.

Refer to Appendix "A" for more detail on Long-term Liabilities.

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012	2011	2012	2011
	R	R	R	R
17. NON-CURRENT PROVISIONS				
Provision for Post-retirement Health Care Benefits Liability	117,256,440	101,095,956	117,256,440	101,095,956
Provision for Long-term Service Awards	9,937,689	8,081,680	9,937,689	8,081,680
Provision for Rehabilitation of Landfill Sites	11,509,115	10,505,398	11,509,115	10,505,398
Total Non-current Provisions	138,703,244	119,683,034	138,703,244	119,683,034

	2012	2011	2012	2011
	R	R	R	R
17.1 Post-retirement Health Care Benefits Liability				
Balance at beginning of Year	106,110,852	87,839,522	106,110,852	87,839,522
Contributions to Provision	16,516,812	18,271,330	16,516,812	18,271,330
Balance at end of Year	122,627,664	106,110,852	122,627,664	106,110,852
Transfer to Current Provisions	(5,371,224)	(5,014,896)	(5,371,224)	(5,014,896)
Total Post-retirement Health Care Benefits Liability	117,256,440	101,095,956	117,256,440	101,095,956

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2012 by Arch Actuaries, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

	2012	2011	2012	2011
The members of the Post-Retirement Health Care Benefit Plan are made up as follows:				
In-service Members (Employees)	659	598	659	598
In-service Members (Employees) - Non-members	520	457	520	457
Continuation Members (Retirees, widowers and orphans)	172	171	172	171
Total Members	1,351	1,226	1,351	1,226

The liability in respect of past service has been estimated as follows:

	2012	2011	2012	2011
In-service Members	49,368,578	38,928,859	49,368,578	38,928,859
Continuation Members	73,259,086	67,181,993	73,259,086	67,181,993
Total Liability	122,627,664	106,110,852	122,627,664	106,110,852

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

- Hosmed
- Bonitas
- Keyhealth
- LA Health
- Samwumed

The Current-service Cost for the year ending 30 June 2012 is estimated to be R3 201 616, whereas the cost for the ensuing year is estimated to be R4 308 361.

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012	2011	2012	2011
The principal assumptions used for the purposes of the actuarial valuations were as follows:				

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Discount Rate	7.64%	8.50%	7.64%	8.50%
Health Care Cost Inflation Rate	6.82%	7.27%	6.82%	7.27%
Net Effective Discount Rate	0.77%	1.15%	0.77%	1.15%
Expected Rate of Salary Increase	6.50%	6.24%	6.50%	6.24%
Expected Retirement Age - Females	58	58	58	58
Expected Retirement Age - Males	63	63	63	63

Movements in the present value of the Defined Benefit Obligation were as follows:	2012 R	2011 R	2012 R	2011 R
Balance at the beginning of the year	106,110,852	87,839,522	106,110,852	87,839,522
Current service costs	3,201,616	2,541,372	3,201,616	2,541,372
Interest cost	8,810,553	7,843,593	8,810,553	7,843,593
Benefits paid	(5,014,896)	(4,334,052)	(5,014,896)	(4,334,052)
Actuarial losses / (gains)	9,519,539	12,220,417	9,519,539	12,220,417
Present Value of Fund Obligation at the end of the Year	122,627,664	106,110,852	122,627,664	106,110,852
Actuarial losses / (gains) unrecognised	-	-	-	-
Total Recognised Benefit Liability	122,627,664	106,110,852	122,627,664	106,110,852
The amounts recognised in the Statement of Financial Performance are as follows:				
Current service cost	3,201,616	2,541,372	3,201,616	2,541,372
Interest cost	8,810,553	7,843,593	8,810,553	7,843,593
Actuarial losses / (gains)	9,519,539	12,220,417	9,519,539	12,220,417
Total Post-retirement Health Care Benefit included in Employee Related Costs (Note 29)	21,531,708	22,605,382	21,531,708	22,605,382

The history of experienced adjustments is as follows:

	2012 R	2011 R	2010 R	2009 R	2008 R
Present Value of Defined Benefit Obligation	122,627,664	106,110,852	87,839,522	75,862,841	76,460,968
Deficit	122,627,664	106,110,852	87,839,522	75,862,841	76,460,968
	2012 R	2011 R	2012 R	2011 R	
The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:					
Increase:					
Effect on the aggregate of the current service cost and the interest cost	2,052,400	1,389,500	2,052,400	1,389,500	
Effect on the defined benefit obligation	18,778,000	15,566,000	18,778,000	15,566,000	
Decrease:					
Effect on the aggregate of the current service cost and the interest cost	(1,659,500)	(1,231,000)	(1,659,500)	(1,231,000)	
Effect on the defined benefit obligation	(15,366,000)	(12,837,000)	(15,366,000)	(12,837,000)	

The municipality expects to make a contribution of R5,371 million (2012: R5,014 million) to the Defined Benefit Plans during the next financial year.

The movement in Non-current Provisions are reconciled as follows:

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	Long-term Service Awards	Landfill Sites	Long-term Service Awards	Landfill Sites
	R	R	R	R
30 June 2012				
Balance at beginning of year	10,712,920	10,505,399	10,712,920	10,505,399
Contributions to provision	339,936	1,003,717	339,936	1,003,717
	11,052,856	11,509,116	11,052,856	11,509,116
Transfer to current provisions	(1,115,167)	-	(1,115,167)	-
Balance at end of year	9,937,689	11,509,116	9,937,689	11,509,116
30 June 2011				
Balance at beginning of year	9,455,314	9,589,216	9,455,314	9,589,216
Contributions to provision	1,257,606	916,182	1,257,606	916,182
	10,712,920	10,505,399	10,712,920	10,505,399
Transfer to current provisions	(2,631,240)	-	(2,631,240)	-
Balance at end of year	8,081,680	10,505,399	8,081,680	10,505,399

17.2 Long-term Service Awards

The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a Long-term Service Award is payable after 10 years of continuous service and every 5 years thereafter to employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2012 by Mr C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related Current Service Cost and past service cost, were measured using the Projected Unit Credit Method.

At year end, 1 114 (2011: 968) employees were eligible for Long-Term Services Awards.

The Current Service Cost for the year ending 30 June 2012 is estimated to be R1 088 717, whereas the cost for the ensuing year is estimated to be R1 417 669.

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012 R	2011 R	2012 R	2011 R
The principal assumptions used for the purposes of the actuarial valuations were as follows:				
Discount Rate	6.31%	7.63%	6.31%	7.63%
Net Effective Discount Rate	0.32%	1.32%	0.32%	1.32%

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Expected Rate of Salary Increase	6.50%	6.24%	6.50%	6.24%
Expected Retirement Age - Females	58	58	58	58
Expected Retirement Age - Males	63	63	63	63

Movements in the present value of the Defined Benefit Obligation were as follows:

Balance at the beginning of the year	10,712,920	9,455,314	10,712,920	9,455,314
Current service costs	1,088,717	1,092,028	1,088,717	1,092,028
Interest cost	719,300	796,486	719,300	796,486
Benefits paid	(2,631,240)	(1,116,784)	(2,631,240)	(1,116,784)
Actuarial losses / (gains)	1,163,159	485,876	1,163,159	485,876

Present Value of Fund Obligation at the end of the Year	11,052,856	10,712,920	11,052,856	10,712,920
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Actuarial losses / (gains) unrecognised	-	-	-	-
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Total Recognised Benefit Liability	11,052,856	10,712,920	11,052,856	10,712,920
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The amounts recognised in the Statement of Financial Performance are as follows:

	2012 R	2011 R	2012 R	2011 R
Current service cost	1,088,717	1,092,028	1,088,717	1,092,028
Interest cost	719,300	796,486	719,300	796,486
Actuarial losses / (gains)	1,163,159	485,876	1,163,159	485,876

Total Long-term Services Awards included in Employee Related Costs (Note 29)	2,971,176	2,374,390	2,971,176	2,374,390
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The history of experienced adjustments is as follows:

	2012 R	2011 R	2010 R	2009 R	2008 R
Present Value of Defined Benefit Obligation	11,052,856	10,712,920	9,455,314	8,497,370	7,799,482
Deficit	11,052,856	10,712,920	9,455,314	8,497,370	7,799,482

	2012 R	2011 R	2012 R	2011 R
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The effect of a 1% movement in the assumed rate of long service cost inflation is as follows:

Increase:				
Effect on the aggregate of the current service cost and the interest cost	105,839	94,452	105,839	94,452
Effect on the defined benefit obligation	721,000	577,000	721,000	577,000

Decrease:				
Effect on the aggregate of the current service cost and the interest cost	(95,398)	(85,784)	(95,398)	(85,784)
Effect on the defined benefit obligation	(656,000)	(527,000)	(656,000)	(527,000)

17.3 Rehabilitation of Landfill Sites

In terms of the licencing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of R 11 509 115 (2011: R 10 505 398) to restore the site at the end of its useful life, estimated to be in 2033. Provision has been made for the net present value of this cost, using the average cost of borrowing interest rate. Calculation of landfill site provision was done by DCR Consulting.

18. Share Capital

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012 R	2011 R	2012 R	2011 R
<u>Authorised</u>				
2 000 000 Ordinary shares of R0.01 each	-	-	20,000	20,000
<u>Issued</u>				
Ordinary	-	-	256	256
Share Premium	-	-	1,152,554	1,152,554

19. STATUTORY FUNDS

	2012 R	2011 R	2012 R	2011 R
Housing Development Fund:	12,877,744	12,482,043	12,877,744	12,482,043
Total Statutory Funds	12,877,744	12,482,043	12,877,744	12,482,043

19.1 Housing Development Fund

The Housing Development Fund has its origin from Loans extinguished by Government on 1 April 1998 and the net of housing transactions appropriated to the fund thereafter. No separate Unappropriated Surplus Account for housing transactions was kept.

The Housing Development Fund contains all proceeds from housing developments, which include rental income and sale of houses. Monies standing to the credit of the Housing Development Fund are used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012 R	2011 R	2012 R	2011 R
Reconciliation of the Housing Development Fund:				
Balance at beginning of year	12,482,043	12,091,823	12,482,043	12,091,823
Revenue:	556,097	554,923	556,097	554,923
Land Sales	119,056	131,860	119,056	131,860
Interest on Housing Account	394,931	370,576	394,931	370,576
Housing Rental Debtors	42,110	52,487	42,110	52,487
Less: Expenditure:	160,396	164,703	160,396	164,703
Funding of Operational Projects	160,396	164,703	160,396	164,703

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Balance at end of year	<u>12,877,744</u>	<u>12,482,043</u>	<u>12,877,744</u>	<u>12,482,043</u>
20. ACCUMULATED SURPLUS	2012	2011	2012	2011
	R	R	R	R
The Accumulated Surplus consists of the following Internal Funds and Reserves:				
Capital Replacement Reserve (CRR)	63,377,148	63,377,148	63,436,896	63,409,261
Accumulated Surplus / (Deficit) due to the results of Operations	3,424,732,748	3,541,073,225	3,424,732,748	3,541,073,225
Total Accumulated Surplus	<u>3,488,109,896</u>	<u>3,604,450,373</u>	<u>3,488,169,644</u>	<u>3,604,482,486</u>

The **Capital Replacement Reserve** is a reserve to finance future capital expenditure and is fully invested in ring-fenced Financial Instrument Investments.

Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Surplus.

21. PROPERTY RATES

	TLOKWE LOCAL MUNICIPALITY			
	Property Valuations		Actual Levies	
	July 2012	July 2011	2012 R	2011 R
Residential	13,040,397,300	12,642,413,800	45,332,547	42,180,649
Commercial	2,190,212,000	2,160,537,000	24,155,509	22,935,115
Agricultural	2,778,905,000	2,783,943,000	2,582,941	2,429,033
State	828,154,000	795,104,000	8,886,797	8,488,375
Municipal	6,503,700	8,154,000	29,245	36,671
Exempted Properties	1,252,289,060	1,265,434,960	-	-
Other	2,367,537,000	2,141,488,500	14,004,411	11,358,717
Rebates	-	-	(4,398,038)	(7,067,901)
Total Valuation and Assessment Rates	<u>22,463,998,060</u>	<u>21,797,075,260</u>	<u>90,593,412</u>	<u>80,360,659</u>
Attributable to:				
Continuing Operations			90,593,412	80,360,659
Discontinued Operations			-	-
			<u>90,593,412</u>	<u>80,360,659</u>

	GROUP			
	Property Valuations		Actual Levies	
	July 2012	July 2011	2012 R	2011 R
Residential	13,040,397,300	12,642,413,800	45,332,547	42,180,649
Commercial	2,190,212,000	2,160,537,000	24,155,509	22,935,115
Agricultural	2,778,905,000	2,783,943,000	2,582,941	2,429,033
State	828,154,000	795,104,000	8,886,797	8,488,375
Municipal	6,503,700	8,154,000	29,245	36,671
Exempted Properties	1,252,289,060	1,265,434,960	-	-
Other	2,367,537,000	2,141,488,500	14,004,411	11,358,717
Rebates	-	-	(4,398,038)	(7,067,901)
Total Valuation and Assessment Rates	<u>22,463,998,060</u>	<u>21,797,075,260</u>	<u>90,593,412</u>	<u>80,360,659</u>
Attributable to:			90,593,412	
Continuing Operations			90,593,412	80,360,659
Discontinued Operations			-	-
			<u>90,593,412</u>	<u>80,360,659</u>

Assessment Rates are levied on the value of land and improvements, which valuation is performed every five years. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions. The last valuation came into effect 1 July 2009.

Rates are levied monthly on property owners and are payable before the 10th of each month. Interest is levied at a rate determined by council on outstanding rates amounts.

22. INTEREST EARNED	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012 R	2011 R	2012 R	2011 R
External Investments:				
Bank Account	2,875,073	2,537,820	2,875,073	2,537,820
Investments	7,791,189	5,617,915	7,791,189	5,617,915
Interest earned on Housing Development Fund	394,931	370,576	394,931	370,576
	<u>11,061,193</u>	<u>8,526,311</u>	<u>11,061,193</u>	<u>8,526,311</u>
Outstanding Debtors:				
Outstanding Billing Debtors	12,249,459	15,542,059	12,249,459	15,542,059
	<u>12,249,459</u>	<u>15,542,059</u>	<u>12,249,459</u>	<u>15,542,059</u>
Total Interest Earned	<u>23,310,652</u>	<u>24,068,370</u>	<u>23,310,652</u>	<u>24,068,370</u>

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012 R	2011 R	2012 R	2011 R
Interest Earned on Financial Assets, analysed by category of asset, is as follows:				
Available-for-Sale Financial Assets	11,061,193	8,526,311	11,061,193	8,526,311
Loans and Receivables	12,249,459	15,542,059	12,249,459	15,542,059
	<u>23,310,652</u>	<u>24,068,370</u>	<u>23,310,652</u>	<u>24,068,370</u>
Interest Earned on Non-financial Assets	-	-	-	-
	<u>23,310,652</u>	<u>24,068,370</u>	<u>23,310,652</u>	<u>24,068,370</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

23. SERVICE CHARGES

Sale of Electricity	428,445,410	356,848,444	428,445,410	356,848,444
Sale of Water	71,710,740	61,132,691	71,710,740	61,132,691
Refuse Removal	25,393,833	20,888,883	25,393,833	20,888,883
Sewerage and Sanitation Charges	40,115,335	37,242,018	40,115,335	37,242,018
Total Service Charges	565,665,318	476,112,036	565,665,318	476,112,036
Attributable to:				
Continuing Operations	565,665,318	476,112,036	565,665,318	476,112,036
Discontinued Operations	-	-	-	-
	565,665,318	476,112,036	565,665,318	476,112,036

The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

24. RENTAL OF FACILITIES AND EQUIPMENT

	2012 R	2011 R	2012 R	2011 R
Rental Revenue from Amenities	2,353,254	2,741,134	2,353,254	2,741,134
Rental Revenue from Halls	180,785	156,885	180,785	156,885
Rental Revenue from Land	236,073	580,821	236,073	580,821
Rental Revenue from Other Facilities	1,341,754	1,341,394	1,341,754	1,341,394
Total Rental of Facilities and Equipment	4,111,865	4,820,234	4,111,865	4,820,234
Attributable to:				
Continuing Operations	4,111,865	4,820,234	4,111,865	4,820,234
Discontinued Operations	-	-	-	-
	4,111,865	4,820,234	4,111,865	4,820,234

Rental revenue earned on Facilities and Equipment is in respect of Non-financial Assets rented out.

25. GOVERNMENT GRANTS AND SUBSIDIES

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012 R	2011 R	2012 R	2011 R
National Equitable share	76,801,000	69,095,256	76,801,000	69,095,256
National FMS Grant	1,250,000	1,000,000	1,250,000	1,000,000
National MSI Grant	790,000	750,000	790,000	750,000
Operational Grants	78,841,000	70,845,256	78,841,000	70,845,256
Conditional Grants	16,840,094	39,218,050	16,840,094	39,218,050
National: MIG	15,394,591	26,355,045	15,394,591	26,355,045
National: NER	-	5,366,000	-	5,366,000
National: Fire & Emergency Grant	42,911	1,113,003	42,911	1,113,003
National: SETA Grant	346,483	1,100,592	346,483	1,100,592
Provincial: Library Grant	117,218	1,845,833	117,218	1,845,833
Provincial: Promoting Culture Grant	28,357	16,083	28,357	16,083
Provincial: City Branding Grant	27,990	-	27,990	-
Provincial: LED Township History Grant	7,750	147,427	7,750	147,427
Provincial: Economic Growth & Development Grant	-	41,650	-	41,650
Other Spheres of Government: Various Grants	874,795	3,232,416	874,795	3,232,416
Transferred from Deferred Revenue (offset depreciation on assets funded from Grants)	-	-	-	-
Total Government Grants and Subsidies	95,681,094	110,063,306	95,681,094	110,063,306
Attributable to:				
Continuing Operations	95,681,094	110,063,306	95,681,094	110,063,306
Discontinued Operations	-	-	-	-
	95,681,094	110,063,306	95,681,094	110,063,306

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012 R	2011 R	2012 R	2011 R
Operational Grants:				
25.1.1. National: Equitable Share	76,801,000	69,095,256	76,801,000	69,095,256

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy up to R218.26 based on the monthly billing, towards the consumer account, which subsidy is determined annually by council. All residential households receive 6 kl water and indigents also receive 80 kWh electricity free every month. An additional 50% rebate is granted to indigents on property tax.

25.1.2. National: FMS Grant	1,250,000	1,000,000	1,250,000	1,000,000
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To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Financial Management Act (MFMA).

25.1.3. National: MSI Grant	790,000	750,000	790,000	750,000
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To promote and support reforms in municipal systems by building capacity in municipalities to implement the Municipal Financial Management Act (MFMA).

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012 R	2011 R	2012 R	2011 R
25.2 Provincial: Health Subsidies				
Balance unspent at beginning of year	1,314,834	1,314,834	1,314,834	1,314,834
Current year receipts - included in Public Health vote	-	-	-	-
- Environmental Health	-	-	-	-
- Primary Health	-	-	-	-
Conditions met - transferred to Revenue	(29,500)	-	(29,500)	-
Conditions still to be met - transferred to Liabilities (see Note 15)	1,285,334	1,314,834	1,285,334	1,314,834

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25.3 National: MIG Grants

Balance unspent at beginning of year	853,055	1,759,703	853,055	1,759,703
Current year receipts	34,191,000	25,448,400	34,191,000	25,448,400
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-	-	-
Conditions met - transferred to Revenue: Capital Expenses	(15,394,591)	(26,355,048)	(15,394,591)	(26,355,048)
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>19,649,464</u>	<u>853,055</u>	<u>19,649,464</u>	<u>853,055</u>

25.4 National: NER Grants

Balance unspent at beginning of year	-	-	-	-
Current year receipts	-	5,366,000	-	5,366,000
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	(5,366,000)	-	(5,366,000)
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

25.5 Land Use Management Grant

Balance unspent at beginning of year	203,806	203,806	203,806	203,806
Current year receipts	-	-	-	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>203,806</u>	<u>203,806</u>	<u>203,806</u>	<u>203,806</u>

25.6 LED Constitutional Grant

Balance unspent at beginning of year	148,765	148,765	148,765	148,765
Current year receipts	-	-	-	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>148,765</u>	<u>148,765</u>	<u>148,765</u>	<u>148,765</u>

25.7 LED Projects Promoting Culture

Balance unspent at beginning of year	35,469	1,552	35,469	1,552
Current year receipts	-	50,000	-	50,000
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	(28,357)	(16,083)	(28,357)	(16,083)
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>7,111</u>	<u>35,469</u>	<u>7,111</u>	<u>35,469</u>

25.8 LED Projects Tourism Initiative

Balance unspent at beginning of year	284,902	314,902	284,902	314,902
Current year receipts	40,000	-	40,000	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	(50,800)	(30,000)	(50,800)	(30,000)
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>274,102</u>	<u>284,902</u>	<u>274,102</u>	<u>284,902</u>

25.9 Lotto: Sports Facilities

Balance unspent at beginning of year	808,994	965,702	808,994	965,702
Current year receipts	-	-	-	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-	-	-
Conditions met - transferred to Revenue: Capital Expenses	(21,901)	(156,708)	(21,901)	(156,708)
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>787,093</u>	<u>808,994</u>	<u>787,093</u>	<u>808,994</u>

25.10 Lotto: Lake Resort

Balance unspent at beginning of year	25,676	25,676	25,676	25,676
Current year receipts	-	-	-	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>25,676</u>	<u>25,676</u>	<u>25,676</u>	<u>25,676</u>

25.11 Lotto: Tshwaraganang

Balance unspent at beginning of year	-	-	-	-
Current year receipts	279,000	-	279,000	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>279,000</u>	<u>-</u>	<u>279,000</u>	<u>-</u>

25.12 Lotto: Mohadin Stadium

TLOKWE LOCAL MUNICIPALITY	GROUP
2012	2011
R	R
-	-
279,000	279,000
-	-
-	-
-	-
-	-
-	-
<u>279,000</u>	<u>279,000</u>

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Balance unspent at beginning of year	-	165,271	-	165,271
Current year receipts	676,400	-	676,400	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	(165,271)	-	(165,271)
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>676,400</u>	<u>-</u>	<u>676,400</u>	<u>-</u>

25.13 Lotto: Sarafina Sports Facilities

Balance unspent at beginning of year	467,000	467,000	467,000	467,000
Current year receipts	-	-	-	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	(16,575)	-	(16,575)	-
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>450,425</u>	<u>467,000</u>	<u>450,425</u>	<u>467,000</u>

25.14 Dr Kenneth Kaunda District Projects

Balance unspent at beginning of year	90,207	118,587	90,207	118,587
Current year receipts	3,000,000	-	3,000,000	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	(84,300)	(28,380)	(84,300)	(28,380)
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	(5,907)	-	(5,907)	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>3,000,000</u>	<u>90,207</u>	<u>3,000,000</u>	<u>90,207</u>

25.15 Public Transport Infrastructure

Balance unspent at beginning of year	438,962	446,527	438,962	446,527
Current year receipts	-	-	-	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	(7,565)	-	(7,565)
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	(438,962)	-	(438,962)	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>-</u>	<u>438,962</u>	<u>-</u>	<u>438,962</u>

25.16 Provincial: Library Grant

Balance unspent at beginning of year	155,752	2,345,833	155,752	2,345,833
Current year receipts	-	-	-	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-	-	-
Conditions met - transferred to Revenue: Capital Expenses	(117,218)	(2,844,492)	(117,218)	(2,844,492)
Other Transfers	-	654,410	-	654,410
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>38,534</u>	<u>155,752</u>	<u>38,534</u>	<u>155,752</u>

25.17 Fire and Emergency Grant

Balance unspent at beginning of year	198,650	1,311,653	198,650	1,311,653
Current year receipts	-	-	-	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	(42,911)	(1,113,003)	(42,911)	(1,113,003)
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>155,738</u>	<u>198,650</u>	<u>155,738</u>	<u>198,650</u>

25.18 LED Grants Township History/Jazz

Balance unspent at beginning of year	-	147,427	-	147,427
Current year receipts	7,750	-	7,750	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	(4,500)	(147,427)	(4,500)	(147,427)
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	(3,250)	-	(3,250)	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

25.19 Dr Kenneth Kaunda District Dolomite Research Program

Balance unspent at beginning of year	1,256,958	1,256,958	1,256,958	1,256,958
Current year receipts	1,850,000	-	1,850,000	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	(28,500)	-	(28,500)	-
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>3,078,458</u>	<u>1,256,958</u>	<u>3,078,458</u>	<u>1,256,958</u>

TLOKWE LOCAL MUNICIPALITY	GROUP
2012	2011
R	R

25.20 Provincial - SETA Grant

Balance unspent at beginning of year	-	936,406	-	936,406
Current year receipts	1,168,242	164,225	1,168,242	164,225
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	(346,483)	(1,100,632)	(346,483)	(1,100,632)
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>821,759</u>	<u>-</u>	<u>821,759</u>	<u>-</u>

25.21 Economic Growth and Development Strategy Grant

Balance unspent at beginning of year	32,530	74,180	32,530	74,180
Current year receipts	-	-	-	-
Interest allocated	-	-	-	-

TLOKWE CITY COUNCIL GROUP

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Conditions met - transferred to Revenue: Operating Expenses	-	(41,650)	-	(41,650)
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>32,530</u>	<u>32,530</u>	<u>32,530</u>	<u>32,530</u>

25.22 Mohadin Library Extension Grant

Balance unspent at beginning of year	390,288	390,288	390,288	390,288
Current year receipts	-	-	-	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-	-	-
Conditions met - transferred to Revenue: Capital Expenses	(318,812)	-	(318,812)	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>71,476</u>	<u>390,288</u>	<u>71,476</u>	<u>390,288</u>

25.23 Extension Main Library

Balance unspent at beginning of year	94,655	398,187	94,655	398,187
Current year receipts	-	350,877	-	350,877
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	(654,410)	-	(654,410)
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>94,655</u>	<u>94,655</u>	<u>94,655</u>	<u>94,655</u>

25.24 LED - City Branding

Balance unspent at beginning of year	100,000	100,000	100,000	100,000
Current year receipts	-	-	-	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	(27,990)	-	(27,990)	-
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>72,010</u>	<u>100,000</u>	<u>72,010</u>	<u>100,000</u>

25.25 Library: Special projects grant

Balance unspent at beginning of year	-	-	-	-
Current year receipts	400,000	-	400,000	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>-</u>

25.26 E.P.W.P grant

Balance unspent at beginning of year	-	-	-	-
Current year receipts	347,000	-	347,000	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>347,000</u>	<u>-</u>	<u>347,000</u>	<u>-</u>

25.27 Changes in levels of Government Grants

Based on the allocation set out in the Division of Revenue Act government grant funding is expected to increase over the following three financial years.

26. OTHER INCOME	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012 R	2011 R	2012 R	2011 R
Building Plan Fees	928,791	858,290	928,791	858,290
Grave Fees	710,271	662,514	710,271	662,514
Sundries Levies	2,965,766	1,810,800	2,965,766	1,810,800
Training Fees - Training Centre of Fire Services	713,161	579,202	713,161	579,202
Other non-material Income	9,417,103	9,272,998	9,417,103	9,272,998
Reconnection Fees	682,061	904,697	682,061	904,697
Total Other Income	<u>15,417,152</u>	<u>14,088,501</u>	<u>15,417,152</u>	<u>14,088,501</u>
Attributable to:				
Continuing Operations	15,417,152	14,088,501	15,417,152	14,088,501
Discontinued Operations	-	-	-	-
	<u>15,417,152</u>	<u>14,088,501</u>	<u>15,417,152</u>	<u>14,088,501</u>

The amounts disclosed above for Other Income are in respect of services, other than described in Notes 23 to 26, rendered which are billed to or paid for by the users as the services are required according to approved tariffs. Inter-departmental Recoveries are received from other trading and economic services.

27. EMPLOYEE RELATED COSTS	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012 R	2011 R	2012 R	2011 R
Employee Related Costs - Salaries and Wages	155,268,408	139,317,680	155,268,408	139,317,680
Employee Related Costs - Contributions for UIF, Pensions and Medical Aids	49,101,838	45,496,057	49,101,838	45,496,057
Travel Allowances	8,101,952	7,616,016	8,101,952	7,616,016
Phone Allowances	717,552	225,373	717,552	225,373
Housing Benefits and Allowances	1,787,121	2,594,346	1,787,121	2,594,346
Overtime Payments	12,210,891	11,445,283	12,210,891	11,445,283
Performance Bonuses	9,706,313	9,281,853	9,706,313	9,281,853
Total Employee Related Costs	<u>236,894,076</u>	<u>215,976,607</u>	<u>236,894,076</u>	<u>215,976,607</u>
Attributable to:				
Continuing Operations	236,894,076	215,976,607	236,894,076	215,976,607
Discontinued Operations	-	-	-	-
	<u>236,894,076</u>	<u>215,976,607</u>	<u>236,894,076</u>	<u>215,976,607</u>

No advances were made to employees.

TLOKWE CITY COUNCIL GROUP
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Remuneration of the Municipal Manager

Annual Remuneration	425,880	431,352	425,880	431,352
Performance Bonus	-	-	-	-
Housing Allowance	395,475	408,840	395,475	408,840
Telephone Allowance	13,500	18,000	13,500	18,000
Car Allowance	126,000	127,619	126,000	127,619
Company Contributions to UIF, Medical and Pension Funds	133,360	132,098	133,360	132,098
Total	1,094,215	1,117,909	1,094,215	1,117,909

Remuneration of the Deputy Municipal Manager

Annual Remuneration	79,187	342,786	79,187	342,786
Performance Bonus	-	-	-	-
Housing Allowance	49,946	245,904	49,946	245,904
Telephone Allowance	(1,200)	14,400	(1,200)	14,400
Car Allowance	45,181	180,724	45,181	180,724
Company Contributions to UIF, Medical and Pension Funds	17,774	98,197	17,774	98,197
Total	190,888	882,012	190,888	882,012

(Contract expired 31 August 2011)

Remuneration of the Chief Financial Officer

Annual Remuneration	435,011	414,296	435,011	414,296
Performance Bonus	-	83,509	-	83,509
Housing Allowance	30,309	29,895	30,309	29,895
Telephone Allowance	12,000	12,000	12,000	12,000
Car Allowance	261,898	251,603	261,898	251,603
Company Contributions to UIF, Medical and Pension Funds	124,228	116,158	124,228	116,158
Total	863,446	907,460	863,446	907,460

Remuneration of the Manager: Economic Development

Annual Remuneration	435,011	414,296	435,011	414,296
Performance Bonus	-	78,404	-	78,404
Housing Allowance	124,241	118,463	124,241	118,463
Telephone Allowance	12,000	12,000	12,000	12,000
Car Allowance	133,363	127,012	133,363	127,012
Company Contributions to UIF, Medical and Pension Funds	97,422	92,643	97,422	92,643
Total	802,037	842,818	802,037	842,818

Remuneration of the Manager: Infrastructure

Annual Remuneration	-	182,970	-	182,970
Performance Bonus	-	63,433	-	63,433
Housing Allowance	-	-	-	-
Telephone Allowance	-	5,400	-	5,400
Car Allowance	-	69,939	-	69,939
Company Contributions to UIF, Medical and Pension Funds	-	118,366	-	118,366
Total	-	440,108	-	440,108

(Resigned 31 December 2010)

Remuneration of the Manager: Community Services

Annual Remuneration	435,011	414,296	435,011	414,296
Performance Bonus	-	69,746	-	69,746
Housing Allowance	153,487	144,949	153,487	144,949
Telephone Allowance	12,000	12,000	12,000	12,000
Car Allowance	78,775	75,024	78,775	75,024
Company Contributions to UIF, Medical and Pension Funds	132,428	129,753	132,428	129,753
Total	811,701	845,768	811,701	845,768

Remuneration of the Manager: Public Safety

Annual Remuneration	417,920	398,020	417,920	398,020
Performance Bonus	-	60,588	-	60,588
Housing Allowance	84,529	87,390	84,529	87,390
Telephone Allowance	12,000	12,000	12,000	12,000
Car Allowance	164,225	160,784	164,225	160,784
Company Contributions to UIF, Medical and Pension Funds	130,608	115,031	130,608	115,031
Total	809,279	833,813	809,279	833,813

Remuneration of the Manager: Housing

Annual Remuneration	417,921	398,020	417,921	398,020
Performance Bonus	-	66,152	-	66,152
Housing Allowance	57,103	54,546	57,103	54,546
Telephone Allowance	12,000	12,000	12,000	12,000
Car Allowance	140,969	134,256	140,969	134,256
Company Contributions to UIF, Medical and Pension Funds	132,653	126,172	132,653	126,172
Total	760,646	791,146	760,646	791,146

TLOKWE LOCAL MUNICIPALITY **GROUP**

	2012 R	2011 R	2012 R	2011 R
Remuneration of the Manager: Office of the Speaker				
Annual Remuneration	101,613	414,296	101,613	414,296
Performance Bonus	-	76,390	-	76,390
Housing Allowance	34,195	166,889	34,195	166,889
Telephone Allowance	2,466	13,807	2,466	13,807
Car Allowance	12,388	74,597	12,388	74,597
Company Contributions to UIF, Medical and Pension Funds	22,426	120,124	22,426	120,124
Total	173,087	866,103	173,087	866,103

(Contract expired 31 August 2011)

28. REMUNERATION OF COUNCILLORS

Executive Mayor	654,183	621,420	654,183	621,420
Speaker	527,126	500,275	527,126	500,275
Councillors Transport Allowance	3,507,338	2,692,624	3,507,338	2,692,624
Company Contributions to UIF, Medical and Pension Funds	1,519,554	1,433,447	1,519,554	1,433,447
Councillors: Housing allowance	708,320	549,374	708,320	549,374
Councillors allowances	7,523,955	5,450,295	7,523,955	5,450,295

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Total Councillors' Remuneration	14,440,475	11,247,434	14,440,475	11,247,434
<i>In-kind Benefits</i>				
The Executive Mayor, Speaker, Whip, Mayoral Committee Members as well as the chairperson of the Municipal Accounts Committee (MPAC) are full time. Each is provided with an office and secretarial support at the cost of the council.				
The Executive Mayor has use of a Council owned vehicle for official duties and a full time driver.				
29. DEPRECIATION AND AMORTISATION	2012 R	2011 R	2012 R	2011 R
Depreciation and Amortisation	158,824,037	155,537,946	158,824,037	155,537,946
Total Depreciation and Amortisation	158,824,037	155,537,946	158,824,037	155,537,946
Attributable to:				
Continuing Operations	158,824,037	155,537,946	158,824,037	155,537,946
Discontinued Operations	-	-	-	-
	158,824,037	155,537,946	158,824,037	155,537,946
30. IMPAIRMENT LOSSES				
30.1 Impairment Losses on Financial Assets				
Impairment Losses Recognised:	26,413,517	17,549,168	26,413,517	17,549,168
Consumer Debtors - Recoveries	(1,120,709)	(523,563)	(1,120,709)	(523,563)
Consumer debtors - Provision	21,196,476	(13,394,713)	21,196,476	(13,394,713)
Consumer debtors - Written off	459,802	30,439,448	459,802	30,439,448
Debtors - Arrangements	5,877,947	1,027,996	5,877,947	1,027,996
Total Impairment Losses	26,413,517	17,549,168	26,413,517	17,549,168
Attributable to:				
Continuing Operations	26,413,517	17,549,168	26,413,517	17,549,168
Discontinued Operations	-	-	-	-
	26,413,517	17,549,168	26,413,517	17,549,168
31. FINANCE COSTS	2012 R	2011 R	2012 R	2011 R
Loans and Payables at amortised cost	5,607,593	3,316,728	5,607,593	3,316,728
Other	1,003,717	916,182	1,003,717	916,182
Total Interest Expense	6,611,310	4,232,911	6,611,310	4,232,911
Less: Amounts included in the Cost of qualifying Assets	-	-	-	-
Total Interest Paid on External Borrowings	6,611,310	4,232,911	6,611,310	4,232,911
Attributable to:				
Continuing Operations	6,611,310	4,232,911	6,611,310	4,232,911
Discontinued Operations	-	-	-	-
	6,611,310	4,232,911	6,611,310	4,232,911
32. BULK PURCHASES	2012 R	2011 R	2012 R	2011 R
Electricity	246,410,901	202,565,784	246,410,901	202,565,784
Water	6,003,126	6,143,542	6,003,126	6,143,542
Total Bulk Purchases	252,414,027	208,709,326	252,414,027	208,709,326
Bulk Purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Eskom.				
33. GRANTS AND SUBSIDIES PAID	2012 R	2011 R	2012 R	2011 R
Indigents	33,109,670	28,147,631	33,109,670	28,147,631
Other	8,144,518	3,217,833	8,144,518	3,217,833
Total Grants and Subsidies	41,254,188	31,365,464	41,254,188	31,365,464
34. GENERAL EXPENSES AND MAINTENANCE	2012 R	2011 R	2012 R	2011 R
Accommodation for officials	283,460	5,982	283,460	5,982
Advertisements	646,794	594,697	646,794	594,697
Airport expenses	-	965,887	-	965,887
Allowance: Tender / Audit committee	218,471	1,408	218,471	1,408
Ammunition	22,113	24,921	22,113	24,921
Annual contribution: Treasure Route	20,000	20,000	20,000	20,000
Antiseptic and Detergents	43,236	45,229	43,236	45,229
Assessment Rates	183,744	127,501	183,744	127,501
Bank charges	1,683,316	1,528,179	1,683,316	1,528,179
Braai Grids	-	12,343	-	12,343
Chemicals	1,751,367	1,474,080	1,751,367	1,474,080
Clean-up operation: City	84,300	3,900,066	84,300	3,900,066
Cleaning materials	383,193	506,364	383,193	506,364
Commission	3,275,133	2,247,539	3,275,133	2,247,539
Community Development	972,803	549,166	972,803	549,166
Compassionate fund	18,078	223,622	18,078	223,622
Contribution: Freedom Day Celebrations	-	255,089	-	255,089
Conveyancing	200,258	61,891	200,258	61,891
Copy paper and equipment	34,947	30,742	34,947	30,742

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022				
	2021	2022	2021	2022
Corporate gifts	103,187	102,156	103,187	102,156
Decorative requirements	1,481	2,338	1,481	2,338
Deputations: Travelling fees	3,250,971	2,273,270	3,250,971	2,273,270
Detergents	7,162	8,244	7,162	8,244
Development: Tourism	149,256	148,214	149,256	148,214
Digging of graves	37,539	36,164	37,539	36,164
Disaster Emergency Fund	493,667	556,559	493,667	556,559
Discretionary fund	362,931	313,005	362,931	313,005
Display poster and banners	2,907	14	2,907	14
Documentation	1,580	2	1,580	2
Donations	59,536	48,713	59,536	48,713
Drawing requirements	14,318	12,817	14,318	12,817
Eco-circles	262,956	393,051	262,956	393,051
Electricity used	26,478,660	15,415,514	26,478,660	15,415,514
Emergency services	20,636	23,470	20,636	23,471
Executive Mayor Fund	432,444	229,139	432,444	229,139
Executive Mayor: Special Projects	469,351	278,250	469,351	278,250
Extention services	22,869	25,685	22,869	25,685
Fertilisation	56,230	49,471	56,230	49,471
Field maps	13,793	7,033	13,793	7,033
First Aid Provisions	16,876	17,315	16,876	17,315
Flocculating Agents	51,573	58,996	51,573	58,996
Fuel and Oil	384,079	315,784	384,079	315,784
Functions	1,215	360	1,215	360
GIS: Maps	18,784	15,619	18,784	15,619
GPRS Usage Cost	-	1,723	-	1,723
Hire of equipment	24,720	22,858	24,720	22,858
Incentives	30,000	17,500	30,000	17,500
Indigent funerals	369,563	271,243	369,563	271,243
Indirect Material	20,797	12,266	20,797	12,266
Industrial Council Levy	53,304	49,447	53,304	49,447
Insurance	2,341,427	2,264,935	2,341,427	2,264,935
International Relationships	539,379	284,158	539,379	284,158
Internet	9,700	250,000	9,700	250,000
Irrigation water	45,516	42,078	45,516	42,078
Walter Sisulu Avenue Forum	284,211	263,158	284,211	263,158
Laboratory requirements	265,790	271,632	265,790	271,632
Laundry	18,099	18,962	18,099	18,962
SALGA membership	1,691,208	1,104,902	1,691,208	1,104,902
Levies: Computer Services and Skills Development	1,740,516	1,479,871	1,740,516	1,479,871
Liaison requirements	2,252	4,495	2,252	4,495
License fees	850,142	677,547	850,142	677,547
Loss control	15,908	12,706	15,908	12,706
Lost books, records and art copies	182	4,829	182	4,829
Magazines and reference work	79,876	64,781	79,876	64,781
Marketing brochures	881,329	664,133	881,329	664,133
Materials	2,151	1,794	2,151	1,794
Mayoral advisory committee	5,100	27,297	5,100	27,297
Mayoral allowance: General	109,217	121,014	109,217	121,014
Mayoral allowance: Personal	31,105	26,118	31,105	26,118
Meals: Overtime workers	285,539	259,509	285,539	259,509
Expenses: Other	7,475,736	4,453,012	7,475,736	4,453,012
Printing and stationary	2,382,586	2,867,970	2,382,586	2,867,970
Projects	449,986	200,333	449,986	200,333
Purchase of books and tapes	41,537	133,334	41,537	133,334
Railway: Departmental	13,224	5,120	13,224	5,120
Receptions	1,529,123	1,051,019	1,529,123	1,051,019
Recreation programs	5,753	51,924	5,753	51,924
Refreshments	53,795	64,268	53,795	64,268
Rental equipment	3,109,651	3,126,506	3,109,651	3,126,506
Sanitation	768,989	669,649	768,989	669,649
Seed and bulbs	11,163	4,861	11,163	4,861
SDR (DR KDKM): Dolomite Research Program	2,859,164	1,463,000	2,859,164	1,463,000
SMME Development	119,819	117,740	119,819	117,740
Sport recreations	178,609	134,488	178,609	134,488
Sprays	165,050	120,291	165,050	120,291
Stamps	1,384,312			

35. CORRECTION OF ERROR

Corrections were made and appropriated to the Accumulated Surplus Account during the financial years ended 30 June

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Correction of Property, Plant and Equipment (Refer to detail below) 2,531,087,326 2,531,087,326

Increase / (Decrease) in Unappropriated Surplus Account **1,945,110,193** **1,945,110,193**

Nature

Land Held for Sale

During the 2010/2011 regularity audit the AG identified building values included in land held for sale. Building and land values were split during the preparation of the 2011/2012 annual financial statements and accounted for in accordance with GRAP (R1 455 000).

Land Stock

During the preparation of the 2011/2012 annual financial statements land stock was identified that was not on the land stock register. This land stock was accounted for in accordance with GRAP (R538 500).

Land Stock

During the 2010/2011 regularity audit the AG identified building values included in land stock. Building and land values were split during the preparation of the 2011/2012 annual financial statements and accounted for in accordance with GRAP (R371 314 100).

Land

During the 2010/2011 regularity audit the AG identified building values included in land. Building and land values were split during the preparation of the 2011/2012 annual financial statements and accounted for in accordance with GRAP (R215 365 800).

Land

During the 2010/2011 regularity audit the AG identified building values included in land. Land transfers included building values. Transfer value was corrected to include only land value (R1 415 000).

Debtors even

During the 2010/2011 regularity audit the AG identified debtors that were not accounted for correctly. During preparation of the annual financial statements 2011/2012 the debtor opening balance was corrected to reflect the correct opening balance in accordance with the revenue departments records of the debtor (R5 143 323).

Landfill site

Interpretation of IGRAP 2:

If a municipality has a legal obligation to rehabilitate the Landfill site at the end of the remaining useful life of the landfill site ☐ It is likely that the whole Landfill site will be used.

Provision should be made for the total rehabilitation cost at the end of the remaining useful life of the Landfill site. (R2 109 056)
Provision correction was made to include total rehabilitation cost at the end of the remaining useful life of the Landfill site.

Property, Plant and Equipment

Property, Plant and Equipment was restated due to unbundling and take on of Property, Plant and Equipment assets. Depreciation was restated due to the unbundling and take on of Property, Plant and Equipment.

35.1 Reclassification of Expenditure

The prior year figures of Expenditure Classes have been restated to correctly classify the nature of Expenditure of the municipality.

The effect of the Correction of Error is as follows:

	TLOKWE LOCAL MUNICIPALITY		
	2011 Expenditure R	Adjustment R	Restated Amount R
Employee Related Cost	215,975,294	(1,313)	215,976,607
Finance cost	3,383,788	(849,123)	4,232,911
General expenses and Maintenance	98,566,687	(1,526,487)	100,093,174
Loss with Sale / Transfer of Assets	24,045,000	1,415,000	22,630,000
	<u>341,970,769</u>	<u>(961,923)</u>	<u>342,932,692</u>

The effect of the Correction of Error is as follows:

	GROUP		
	2011 Expenditure R	Adjustment R	Restated Amount R
Employee Related Cost	215,975,294	(1,313)	215,976,607
Finance cost	3,383,788	(849,123)	4,232,911
General expenses and Maintenance	98,566,687	(1,526,487)	100,093,174
Loss with Sale / Transfer of Assets	24,045,000	1,415,000	22,630,000
	<u>341,970,769</u>	<u>(961,923)</u>	<u>342,932,692</u>

Nature

Employee related cost

Provision for bonuses were corrected in the 2011/2010 financial year.

Finance Cost

IGRAP 2 adjustment was made. Interest calculated differs from previous calculation.

General expenses and Maintenance

Sundry account adjustments were made during 2010/2011.

Loss with Sale / Transfer of Land

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Land transfer value was adjusted due to building values included in land value. Adjustments were also made for land transfers not previously accounted for in 2010/2011.

35.2 Reclassification of Statement of Financial Position

The prior year balances of items on the Statement of Financial Position have been restated to correctly classify the nature of the balances.

The effect of the Correction of Error is as follows:

	TLOKWE LOCAL MUNICIPALITY		
	2011	Adjustment	Restated
	Current Assets		Amount
	R	R	R
Inventory	739,947,363	370,775,600	369,171,763
Non-current Assets Held-for-Sale	8,827,000	1,455,000	7,372,000
Trade Receivables from Non-Exchange Transactions	53,235,073	4,945	53,230,128
	<u>802,009,436</u>	<u>372,235,545</u>	<u>429,773,891</u>

The effect of the Correction of Error is as follows:

	GROUP		
	2011	Adjustment	Restated
	Current Assets		Amount
	R	R	R
Inventory	739,947,363	370,775,600	369,171,763
Non-current Assets Held-for-Sale	8,827,000	1,455,000	7,372,000
Trade Receivables from Non-Exchange Transactions	53,235,073	(3,601,590)	56,836,663
	<u>802,009,436</u>	<u>368,629,010</u>	<u>433,380,426</u>

Nature

Inventory

Land sold / transferred were accounted for. Building values were excluded from Land Stock value. Land Stock parcels with zero values were given a value.

Non-current Assets Held-for-Sale

Building values were excluded from Land held for sale values.

Trade Receivables from Non-Exchange Transactions

Sale of Erven Debtor Account opening balance was corrected as at 30 June 2010.
VAT adjustments were made during 2010/2011.

The effect of the Correction of Error is as follows:

	TLOKWE LOCAL MUNICIPALITY		
	2011	Adjustment	Restated
	Non-Current Assets		Amount
	R	R	R
Property, Plant and Equipment	977,568,015	(2,206,637,353)	3,184,205,368
Investment Property	24,420,000	13,720,000	10,700,000
Long-term Receivables	45,268	(3,217,043)	3,262,311
	<u>1,002,033,283</u>	<u>(2,196,134,396)</u>	<u>3,198,167,679</u>

The effect of the Correction of Error is as follows:

	GROUP		
	2011	Adjustment	Restated
	Non-Current Assets		Amount
	R	R	R
Property, Plant and Equipment	977,568,015	(2,206,637,353)	3,184,205,368
Investment Property	24,420,000	13,720,000	10,700,000
Long-term Receivables	45,268	(10,508)	55,776
	<u>1,002,033,283</u>	<u>(2,192,927,861)</u>	<u>3,194,961,144</u>

Nature

Property, Plant and Equipment

Property, Plant and Equipment was restated due to building values included in land (R215 365 800).

Property, Plant and Equipment was restated due to retention fees correction (R143 413.58).

Property, Plant and Equipment was restated due to landfill site correction (R456 842.54).

Property, Plant and Equipment was restated due to land incorrectly classified as Investment Property in accordance with GRAP.

Investment Property

Investment Property was restated due to land incorrectly classified as Investment Property in accordance with GRAP.

Long-term Receivables

Long-term Receivables Debtors were corrected to agree with the revenue section records.

The effect of the Correction of Error is as follows:

	TLOKWE LOCAL MUNICIPALITY		
	2011	Adjustment	Restated
	Current Liabilities		Amount
	R	R	R
Creditors	124,750,001	148,358	124,601,643
	<u>124,750,001</u>	<u>148,358</u>	<u>124,601,643</u>

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

The effect of the Correction of Error is as follows:

	2011 Current Liabilities R	GROUP Adjustment R	Restated Amount R
Creditors	124,750,001	148,358	124,601,643
	<u>124,750,001</u>	<u>148,358</u>	<u>124,601,643</u>

Nature

Creditors

Creditors were restated due to the following reasons:
Rentention monies were corrected (R148 358).

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012 R	2011 R	2012 R	2011 R
36. CASH GENERATED BY OPERATIONS				
Surplus / (Deficit) for the Year	(115,944,776)	(77,040,455)	(115,906,031)	(77,001,440)
Adjustment for:				
Other non cash flow items - Debtor Erven	-	5,143,323	-	5,143,323
Other non cash flow items - Landfill site	-	(2,109,056)	-	(2,109,056)
Other non cash flow items - Landfill site and Retention monies	-	(600,256)	-	(600,256)
Other non cash flow items	21,635	25,211	21,635	25,211
Disposals of Property, Plant and Equipment	6,884,283	-	6,884,283	-
Depreciation and Amortisation	158,824,037	155,537,946	158,824,037	155,537,946
Movements in provisions - Current	(856,084)	2,288,831	(856,084)	2,288,831
Movement in provision - Long-term	19,020,210	20,358,874	19,020,210	20,358,874
Investment Income	(23,310,652)	(24,068,370)	(23,349,397)	(24,107,285)
Finance Costs	6,611,310	4,232,911	6,611,310	4,232,911
Operating surplus before working capital changes	51,249,965	83,768,959	51,249,965	83,769,059
 (Increase)/Decrease in Inventories	33,182,346	21,847,563	33,182,346	21,847,563
(Increase)/Decrease in Land Held For Sale	318,000	1,725,000	318,000	1,725,000
(Increase)/Decrease in Trade Receivables From Exchange Transactions	(9,656,761)	(6,108,891)	(9,619,681)	(6,145,971)
(Increase)/Decrease in Trade Receivables From Non-Exchange Transactions	29,575,458	(9,423,157)	29,575,458	(9,423,157)
Increase/(Decrease) in Consumer Deposits	390,321	855,137	390,321	855,137
Increase/(Decrease) in Creditors	(63,601,572)	52,714,806	(63,590,462)	52,391,388
Increase/(Decrease) in Conditional Grants and Receipts	24,625,909	(5,992,757)	24,625,909	(5,992,757)
Cash generated by / (utilised in) Operations	66,083,666	139,386,660	66,131,856	139,026,262

37. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012 R	2011 R	2012 R	2011 R
37.1 Unauthorised Expenditure				
Reconciliation of Unauthorised Expenditure:				
Opening balance	83,419,225	61,105,990	83,419,225	61,105,990
Unauthorised Expenditure current year	152,515,522	22,313,235	152,515,522	22,313,235
Approved by Council or condoned	-	-	-	-
To be recovered – contingent asset	-	-	-	-
Transfer to receivables for recovery	-	-	-	-
Unauthorised Expenditure awaiting authorisation	<u>235,934,747</u>	<u>83,419,225</u>	<u>235,934,747</u>	<u>83,419,225</u>

Incident	Details	Amount	Action taken
Total Unauthorised Expenditure	Overexpenditure on budget	152,515,522	Refer note below
		<u>152,515,522</u>	

Note

An additional depreciation amount of R128 783 944 incurred due to the unbundling of assets for which no provision was made in the budget.

Council to investigate the balance amount of R4 563 919 expenditure and institute actions where required and report findings to council for further attention.

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012 R	2011 R	2012 R	2011 R
37.2 Fruitless and Wasteful Expenditure				
Reconciliation of Fruitless and Wasteful expenditure:				
Opening balance	1,440,792	1,126,504	1,440,792	1,126,504
Fruitless and Wasteful Expenditure current year	2,823,067	314,289	2,823,067	314,289
Condoned or written off by Council	-	-	-	-
To be recovered – contingent asset	-	-	-	-
Transfer to receivables for recovery	-	-	-	-
Fruitless and Wasteful Expenditure awaiting condonement	<u>4,263,859</u>	<u>1,440,792</u>	<u>4,263,859</u>	<u>1,440,792</u>

Incident	Details	Amount	Action taken
Penalty for late receipt of monthly returns and payments	Telkom	504	Refer note below
Penalty for late receipt of monthly returns and payments	Municipal Workers Gratuity Fund	5,636	Refer note below
Penalty for late receipt of monthly returns and payments	Eskom	4,703	Refer note below
Municipality paid for work not done	Felophepa Landfill site Construction of Cell 3	965,365	Refer note below
Contracted was cancelled due to non performance of supplier	Gaptu Project management and Agalema Civils	1,785,858	Refer note below

TLOKWE CITY COUNCIL GROUP
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<i>Penalties incurred</i>	<i>Ultimate Dynamic</i>	61,000	Refer note below
		2,823,067	

Note

Council to investigate above expenditure and institute actions where required and report findings to council for further attention.

	2012 R	2011 R	2012 R	2011 R
37.3 Irregular Expenditure				
Reconciliation of Irregular Expenditure:				
Opening balance	172,810,149	98,570,021	172,810,149	98,570,021
Irregular Expenditure current year	142,735,673	74,240,129	142,735,673	74,240,129
Condoned or written off by Council	-	-	-	-
To be recovered – contingent asset	-	-	-	-
Transfer to receivables for recovery	-	-	-	-
Irregular Expenditure awaiting condonement	315,545,822	172,810,149	315,545,822	172,810,149

Incident	Details	Amount	Action taken
Total Irregular Expenditure	<i>Non-compliance to the Municipal Supply Chain Regulations, PPPFA, PPR.</i>	142,735,673	<i>Refer note below</i>

Note

Council to investigate above expenditure and institute actions where required and report findings to council for further attention.

38. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

TLOKWE LOCAL MUNICIPALITY		GROUP	
2012	2011	2012	2011
R	R	R	R

38.1 Contributions to organised local government - SALGA

Opening Balance	-	-	-	-
Council Subscriptions	1,691,208	1,104,902	1,691,208	1,104,902
Amount Paid - current year	(1,691,208)	(1,104,902)	(1,691,208)	(1,104,902)
Amount Paid - previous years	-	-	-	-
Balance Unpaid (included in Creditors)	-	-	-	-

38.2 Audit Fees

Opening Balance	-	-	-	-
Current year Audit Fee	3,679,591	2,641,366	3,679,591	2,641,366
Amount Paid - current year	(3,679,591)	(2,641,366)	(3,679,591)	(2,641,366)
Amount Paid - previous years	-	-	-	-
Balance Unpaid (included in Creditors)	-	-	-	-

38.3 VAT

VAT inputs receivables and VAT outputs receivables are shown in Note 5. All VAT returns have been submitted by the due date throughout the year.

38.4 PAYE and UIF

Opening Balance	-	-	-	-
Current year Payroll Deductions	24,973,211	21,504,079	24,973,211	21,504,079
Amount Paid - current year	(24,973,211)	(21,504,079)	(24,973,211)	(21,504,079)
Amount Paid - previous years	-	-	-	-
Balance Unpaid (included in Creditors)	-	-	-	-

38.5 Pension and Medical Aid Deductions

Opening Balance	-	-	-	-
Current year Payroll Deductions and Council Contributions	39,645,635	48,453,757	39,645,635	48,453,757
Amount Paid - current year	(39,645,635)	(48,453,757)	(39,645,635)	(48,453,757)
Amount Paid - previous years	-	-	-	-
Balance Unpaid (included in Creditors)	-	-	-	-

38.6 Councillor's arrear Consumer Accounts

The following Councillors had arrear accounts outstanding for more than 90 days as at:

30 JUNE 2012	Total R	Outstanding up to 90 days R	Outstanding more than 90 days R
Hendriks CT	1,675	1,675	-
Madiehe MJ	984	984	-
Mohlope PA	165	165	-
Le Roux AA	1,909	1,909	-
Bothoza JN	102	102	-
Mosounyana MP	161	161	-
Moloi KE	154	154	-
Mothabane PI	51	51	-
Legoete MD	157	157	-
Total Councillor Arrear Consumer Accounts	5,360	5,360	-
30 JUNE 2011	Total R	Outstanding up to 90 days R	Outstanding more than 90 days R
Mohlope PA	2,060	278	1,782
Hendriks CT	37,601	1,825	35,776
Johnson CC	785	26	759
Kham XD	1,677	311	1,366
Mboniswa NA	164	-	164
Total Councillor Arrear Consumer Accounts	42,286	2,439	39,847

TLOKWE CITY COUNCIL GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

During the year the following Councillors had arrear accounts outstanding for more than 90 days:

30 JUNE 2012	Highest amount outstanding R	Ageing
No councillor accounts outstanding for more than 90 days	N/A	N/A

30 JUNE 2011	Highest amount outstanding R	Ageing
Mohlope PA	1,692	>120 Days
Hendriks CT	35,181	>120 Days
Johnson CC	751	>90 Days
Kham XD	1,264	>120 Days
Mboniswa NA	164	>90 Days

38.7 Non-Compliance with Chapter 11 of the Municipal

Finance Management Act

The Municipality has developed a Supply Chain Management Policy which was approved by Council in September 2005.

38.8 Deviation from, and ratification of minor breaches of the Procurement Processes

In terms of section 36(2) of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved / condoned by the Municipal Manager and noted by Council.

39. FINANCIAL INSTRUMENTS

39.1 Classification

FINANCIAL ASSETS:

In accordance with IAS 39.09 the Financial Assets of the municipality are classified as follows (FVTPL = Fair Value through Profit or Loss):

<u>Financial Assets</u>	<u>Classification</u>	TLOKWE LOCAL MUNICIPALITY		GROUP	
		2012 R	2011 R	2012 R	2011 R
Non-current Investments					
Fixed Deposits	Held to maturity	29,867,623	-	29,867,623	-
Long-term Receivables					
Sale of Erven	Loans and receivables	2,851,350	3,662,311	50,655	55,776
Consumer Debtors					
Assessment Rates	Loans and receivables	17,703,878	17,122,168	17,703,878	17,122,168
Electricity	Loans and receivables	23,772,398	27,689,257	29,489,804	27,689,257
Refuse	Loans and receivables	3,927,688	3,628,652	3,927,688	3,628,652
Sewerage	Loans and receivables	6,213,780	5,342,695	6,213,780	5,342,695
Water	Loans and receivables	13,468,179	11,681,583	13,468,179	11,681,583
Other Debtors	Loans and receivables	53,350,582	42,733,679	53,350,582	42,733,679
Other Debtors					
Payments made in Advance	Loans and receivables	208,918	72,610	208,918	72,610
Sundry Debtors	Loans and receivables	24,766,117	21,273,938	28,178,308	21,273,938
VAT Receivable					
VAT Control Accounts	Loans and receivables	(0)	14,104,714	(0)	14,104,714
Bank, Cash and Cash Equivalents					
Notice Deposits	Held to maturity	170,596,705	97,077,604	170,596,705	97,077,604
Bank Balances	Available for sale	47,619,339	92,551,937	41,910,789	92,551,937
Cash Floats and Advances	Available for sale	30,392	29,142	30,392	29,142
Other Cash Equivalents	Available for sale	71,622	(1,464)	71,622	(1,464)
SUMMARY OF FINANCIAL ASSETS					
Held to maturity:					
Short-term Investment Deposits	Notice Deposits	170,596,705	97,077,604	170,596,705	97,077,604
		<u>170,596,705</u>	<u>97,077,604</u>	<u>170,596,705</u>	<u>97,077,604</u>
Loans and Receivables					
Long-term Receivables	Sale of Erven	2,851,350	3,662,311	50,655	55,776
Consumer Debtors	Assessment Rates	17,703,878	17,122,168	17,703,878	17,122,168
Consumer Debtors	Electricity	23,772,398	27,689,257	29,489,804	27,689,257
Consumer Debtors	Refuse	3,927,688	3,628,652	3,927,688	3,628,652
Consumer Debtors	Sewerage	6,213,780	5,342,695	6,213,780	5,342,695
Consumer Debtors	Water	13,468,179	11,681,583	13,468,179	11,681,583
Consumer Debtors	Other Debtors	53,350,582	42,733,679	53,350,582	42,733,679
Other Debtors	Payments made in Advance	208,918	72,610	208,918	72,610
Other Debtors	Sundry Debtors	24,766,117	21,273,938	28,178,308	21,273,938
VAT Receivable	VAT Control Accounts	(0)	14,104,714	(0)	14,104,714
		<u>146,262,890</u>	<u>147,311,606</u>	<u>152,591,792</u>	<u>143,705,071</u>
		TLOKWE LOCAL MUNICIPALITY		GROUP	
		2012 R	2011 R	2012 R	2011 R
Available for sale					
Investments	Held to maturity	29,867,623	-	29,867,623	-
Bank Balances and Cash	Available for sale	47,619,339	92,551,937	41,910,789	92,551,937
Bank Balances and Cash	Cash Floats and Advances	30,392	29,142	30,392	29,142
Bank Balances and Cash	Other Cash Equivalents	71,622	(1,464)	71,622	(1,464)
		<u>77,588,976</u>	<u>92,579,615</u>	<u>71,880,426</u>	<u>92,579,615</u>
Total Financial Assets		<u>394,448,571</u>	<u>336,968,825</u>	<u>395,068,923</u>	<u>333,362,290</u>

FINANCIAL LIABILITIES:

In accordance with IAS 39.09 the Financial Liabilities of the municipality are classified as follows (FVTPL = Fair Value through Profit or Loss):

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

		TLOKWE LOCAL MUNICIPALITY		GROUP	
		2012	2011	2012	2011
		R	R	R	R
<u>Financial Liabilities</u>	<u>Classification</u>				
Long-term Liabilities					
Annuity Loans	Financial liabilities at amortised cost	89,701,411	21,007,586	89,701,411	21,007,586
Non-current Provisions					
Non-current Provisions	Financial liabilities at amortised cost	138,703,244	119,683,034	138,703,244	119,683,034
Provisions	Financial liabilities at amortised cost	7,579,849	8,435,933	7,579,849	8,435,933
Consumer Deposits					
Electricity and Water	Financial liabilities at amortised cost	11,147,969	10,757,649	11,147,969	10,757,649
Creditors					
Trade Creditors	Financial liabilities at amortised cost	14,194,607	11,667,643	14,194,607	11,667,643
Payments received in Advance	Financial liabilities at amortised cost	8,344,899	8,832,829	8,344,899	8,832,829
Retentions	Financial liabilities at amortised cost	6,824,633	8,023,116	6,824,633	8,023,116
Accruals	Financial liabilities at amortised cost	4,144,063	3,303,541	4,144,063	3,303,541
Other Creditors	Financial liabilities at amortised cost	18,444,768	87,323,511	12,947,714	87,323,511
Unspent Conditional Grants and Receipts					
National Government Grants	Financial liabilities at amortised cost	20,477,827	1,324,547	20,477,827	1,324,547
Provincial Government Grants	Financial liabilities at amortised cost	2,751,531	2,927,119	2,751,531	2,927,119
Local Government Grants	Financial liabilities at amortised cost	3,000,000	90,207	3,000,000	90,207
Other Spheres of Government	Financial liabilities at amortised cost	3,078,457	1,256,957	3,078,457	1,256,957
Developers Contributions	Financial liabilities at amortised cost	2,218,595	1,301,670	2,218,595	1,301,670
Current Portion of Long-term Liabilities					
Annuity Loans	Financial liabilities at amortised cost	4,766,801	882,367	4,766,801	882,367
		2012	2011	2012	2011
		R	R	R	R
SUMMARY OF FINANCIAL LIABILITIES					
Financial Liabilities at Amortised Cost:					
Long-term Liabilities	Annuity Loans	89,701,411	21,007,586	89,701,411	21,007,586
Consumer Deposits	Electricity and Water	11,147,969	10,757,649	11,147,969	10,757,649
Non-Current Provisions	Provisions	138,703,244	119,683,034	138,703,244	119,683,034
Provisions	Provisions	7,579,849	8,435,933	7,579,849	8,435,933
Creditors	Leave provision	14,194,607	11,667,643	14,194,607	11,667,643
Creditors	Payments received in Advance	8,344,899	8,832,829	8,344,899	8,832,829
Creditors	Retentions	6,824,633	8,023,116	6,824,633	8,023,116
Creditors	Other Creditors	22,588,830	90,627,052	17,091,777	90,627,052
Unspent Conditional Grants and Receipts	National Government Grants	20,477,827	1,324,547	20,477,827	1,324,547
Unspent Conditional Grants and Receipts	Provincial Government Grants	2,751,531	2,927,119	2,751,531	2,927,119
Unspent Conditional Grants and Receipts	Local Government Grants	3,000,000	90,207	3,000,000	90,207
Unspent Conditional Grants and Receipts	Other Spheres of Government	3,078,457	1,256,957	3,078,457	1,256,957
Unspent Conditional Grants and Receipts	Developers Contributions	2,218,595	1,301,670	2,218,595	1,301,670
Current Portion of Long-term Liabilities	Annuity Loans	4,766,801	882,367	4,766,801	882,367
		<u>335,378,653</u>	<u>286,817,709</u>	<u>329,881,600</u>	<u>286,817,709</u>
Total Financial Liabilities		335,378,653	286,817,709	329,881,600	286,817,709

39.2 Fair Value

The Fair Values of Financial Assets and Financial Liabilities are determined as follows:

- the Fair Value of Financial Assets and Financial Liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices;
- The Fair Value of other Financial Assets and Financial Liabilities is determined in accordance with generally accepted valuation techniques based on discounted cash flow analysis using interest rates currently charged or paid by other parties and the remaining term to repayment of the interest;
- the Fair Value of Other Financial Assets and Financial Liabilities (excluding Derivative Instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments;
- the Fair Value of Derivative Instruments is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives; and
- the Fair Value of Financial Guarantee Contracts is determined using option pricing models where the main assumptions are the probability of default by the specified counterparty extrapolated from market-based credit information and the amount of loss, given the default.

The fair value of Long-term Liabilities was determined after considering the standard terms and conditions of agreements entered into between the municipality and the relevant financing institutions.

Quoted Prices

Financial Assets in this category include Listed Redeemable Notes, Bills of Exchange and Debentures. Financial Liabilities include Bills of Exchange and Perpetual Notes.

Derivatives

Foreign Currency Forward Contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

Interest Rate Swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

In accordance with IAS 39.09 the Fair Values of Financial Assets and Financial Liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows:

Management considers the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements to approximate their fair values on 30 June 2012, as a result of the short-term maturity of these assets and liabilities.

TLOKWE LOCAL MUNICIPALITY			
30 JUNE 2012		30 JUNE 2011	
Carrying Amount	Fair Value	Carrying Amount	Fair Value
R	R	R	R

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

FINANCIAL ASSETS

Held to maturity:	170,596,705	170,596,705	97,077,604	97,077,604
Notice Deposits	170,596,705	170,596,705	97,077,604	97,077,604
Loans and Receivables	146,262,890	146,262,890	146,911,606	146,911,606
Consumer Debtors	118,436,505	118,436,505	108,198,034	108,198,034
Long-term Receivables	2,851,350	2,851,350	3,262,311	3,262,311
Other Debtors	24,975,035	24,975,035	21,346,547	21,346,547
VAT Receivable	(0)	(0)	14,104,714	14,104,714
Available for Sale	77,588,976	77,588,976	92,579,615	92,579,615
Investment	29,867,623	29,867,623	-	-
Bank Balances and Cash	47,721,353	47,721,353	92,579,615	92,579,615
Total Financial Assets	394,448,571	394,448,571	336,568,825	336,568,825

	30 JUNE 2012		30 JUNE 2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	R	R	R	R
Designated as FVTPL:				
Annuity Loans	89,701,411	89,701,411	21,007,586	21,007,586
Non-Current Provisions	138,703,244	138,703,244	119,683,034	119,683,034
Unspent Conditional Grants and Receipts	31,526,409	31,526,409	6,900,500	6,900,500
Provisions	7,579,849	7,579,849	8,435,933	8,435,933
Consumer Deposits	11,147,969	11,147,969	10,757,649	10,757,649
Trade and Other Payables:	51,952,970	51,952,970	119,150,640	119,150,640
- Leave provision	14,194,607	14,194,607	11,667,643	11,667,643
- Payments received in Advance	8,344,899	8,344,899	8,832,829	8,832,829
- Retentions	6,824,633	6,824,633	8,023,116	8,023,116
- Accruals	4,144,063	4,144,063	3,303,541	3,303,541
- Other Creditors	18,444,768	18,444,768	87,323,511	87,323,511
Current Portion of Long-term Liabilities	4,766,801	4,766,801	882,367	882,367
Total Financial Liabilities	335,378,653	335,378,653	286,817,709	286,817,709

GROUP

	30 JUNE 2012		30 JUNE 2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	R	R	R	R
FINANCIAL ASSETS				
Held to maturity:	170,596,705	170,596,705	97,077,604	97,077,604
Notice Deposits	170,596,705	170,596,705	97,077,604	97,077,604
Loans and Receivables	152,591,792	152,591,792	143,705,071	143,705,071
Consumer Debtors	124,153,911	124,153,911	108,198,034	108,198,034
Long-term Receivables	50,655	50,655	55,776	55,776
Other Debtors	28,387,227	28,387,227	21,346,547	21,346,547
VAT Receivable	(0)	(0)	14,104,714	14,104,714
Available for Sale	71,880,426	71,880,426	92,579,615	92,579,615
Investment	29,867,623	29,867,623	-	-
Bank Balances and Cash	42,012,803	42,012,803	92,579,615	92,579,615
Total Financial Assets	395,068,923	395,068,923	333,362,290	333,362,290

GROUP

	30 JUNE 2012		30 JUNE 2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	R	R	R	R
Designated as FVTPL:				
Annuity Loans	89,701,411	89,701,411	21,007,586	21,007,586
Non-Current Provisions	138,703,244	138,703,244	119,683,034	119,683,034
Unspent Conditional Grants and Receipts	31,526,409	31,526,409	6,900,500	6,900,500
Provisions	7,579,849	7,579,849	8,435,933	8,435,933
Consumer Deposits	11,147,969	11,147,969	10,757,649	10,757,649
Trade and Other Payables:	46,455,916	46,455,916	119,150,640	119,150,640
- Leave provision	14,194,607	14,194,607	11,667,643	11,667,643
- Payments received in Advance	8,344,899	8,344,899	8,832,829	8,832,829
- Retentions	6,824,633	6,824,633	8,023,116	8,023,116
- Accruals	4,144,063	4,144,063	3,303,541	3,303,541
- Other Creditors	12,947,714	12,947,714	87,323,511	87,323,511
Current Portion of Long-term Liabilities	4,766,801	4,766,801	882,367	882,367
Total Financial Liabilities	329,881,600	329,881,600	286,817,709	286,817,709

39.3 Capital Risk Management

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The municipality's overall strategy remains unchanged from 2011.

The capital structure of the municipality consists of debt, which includes the Long-term Liabilities disclosed in Note 17, Bank, Cash and Cash Equivalents and Equity, comprising Funds, Reserves and Accumulated Surplus as disclosed in Note 22 and the Statement of Changes in Net Assets.

The municipality's risk management committee reviews the capital structure on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The municipality has a target gearing ratio of 20-25% determined as the proportion of net debt to equity. Based on the committee's recommendations, the municipality expects to increase its gearing ratio closer to 25% through the issue of new debt.

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012	2011	2012	2011
	R	R	R	R
The gearing ratio at the year-end was as follows:				
Debt	94,468,212	21,889,953	94,468,212	21,889,953
Bank, Cash and Cash Equivalents	218,318,058	189,657,219	212,609,508	189,657,219
Net Debt	<u>312,786,270</u>	<u>211,547,172</u>	<u>307,077,720</u>	<u>211,547,172</u>
Equity	<u>3,500,987,640</u>	<u>3,616,932,416</u>	<u>3,525,729,289</u>	<u>3,616,932,416</u>
Net debt to equity ratio	<u>8.93%</u>	<u>5.85%</u>	<u>8.71%</u>	<u>5.85%</u>

Debt is defined as Long- and Short-term Liabilities, as detailed in Note 16.

Equity includes all Funds and Reserves of the municipality, disclosed as Net Assets in the Statement of Financial Performance.

39.4 Financial Risk Management Objectives

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The municipality's Finance department provides services to the municipality, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the municipality through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The municipality seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the municipality's policies approved by the Council, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The municipality does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

39.5 Significant Accounting Policies

Details of the significant Accounting Policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in the Accounting Policies to the Annual Financial Statements.

39.6 Market Risk

There has been no change to the municipality's exposure to market risks or the manner in which it manages and measures the risk.

39.7 Interest Rate Risk Management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councillor responsible for financial matters.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection By-law.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality is exposed to interest rate risk as the municipality borrows funds at both fixed and floating interest rates. The risk is managed by the municipality by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring optimal hedging strategies are applied, by either positioning the balance sheet or protecting interest expense through different interest rate cycles.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

39.8 Credit Risk Management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound Credit Control and Debt Collection By-law and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses other publicly available financial information and its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the municipality uses other publicly available financial information and its own trading records to rate its major customers. The municipality's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Potential concentrations of credit rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by the Council.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Trade Receivables consist of a large number of customers, spread across different industries in the geographical area of the municipality. Periodic credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee is increased accordingly.

Consumer Debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection By-law.

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 5% of gross monetary assets at any time during the year. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Except as detailed in the following table, the carrying amount of financial assets recorded in the Annual Financial Statements, which is net of impairment losses, represents the municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained:

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2012	2011	2012	2011
	R	R	R	R
The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:				
Fixed Deposit Investments	29,867,623	-	29,867,623	-
Long-term Receivables	2,851,350	3,262,311	50,655	55,776
Consumer Debtors	11,147,969	91,075,866	11,147,969	91,075,866
Trade Receivables from Non-Exchange Transactions	23,654,670	53,230,128	46,091,105	56,836,663
Bank, Cash and Cash Equivalents	218,318,058	189,657,219	212,609,508	189,657,219
Maximum Credit and Interest Risk Exposure	285,839,670	337,225,524	299,766,860	337,625,524

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

39. FINANCIAL INSTRUMENTS (Continued)

39.9. Effective Interest Rates and Repricing Analysis

In accordance with IFRS 7 .40 the following tables indicate the average effective interest rates of Income-earning Financial Assets and Interest-bearing Financial Liabilities at the reporting date and the periods in which they mature or, if earlier, reprice:

TLOKWE LOCAL MUNICIPALITY

30 JUNE 2012

Description	Note ref in AFS	Average effective Interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
VARIABLE RATE INSTRUMENTS		%	R	R	R	R	R	R
Short-term Investment Deposits	6	6.50%	170,596,705	170,596,705	-	-	-	-
Bank Balances and Cash	6	6.06%	47,721,353	47,721,353	-	-	-	-
Total Fixed Rate Instruments			218,318,058	218,318,058	-	-	-	-

30 JUNE 2011

Description	Note ref in AFS	Average effective Interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
VARIABLE RATE INSTRUMENTS	#	%	R	R	R	R	R	R
Short-term Investment Deposits	6	6.06%	97,077,604	97,077,604	-	-	-	-
Bank Balances and Cash	6	6.06%	92,579,615	92,579,615	-	-	-	-
Total Fixed Rate Instruments			189,657,219	189,657,219	-	-	-	-

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

GROUP

30 JUNE 2012

Description	Note ref in AFS	Average effective Interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
VARIABLE RATE INSTRUMENTS		%	R	R	R	R	R	R
Short-term Investment Deposits	6	6.50%	170,596,705	170,596,705	-	-	-	-
Bank Balances and Cash	6	6.06%	42,012,803	42,012,803	-	-	-	-
Total Fixed Rate Instruments			212,609,508	212,609,508	-	-	-	-

30 JUNE 2011

Description	Note ref in AFS	Average effective Interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
VARIABLE RATE INSTRUMENTS	#	%	R	R	R	R	R	R
Short-term Investment Deposits	6	6.06%	97,077,604	97,077,604	-	-	-	-
Bank Balances and Cash	6	6.06%	92,579,615	92,579,615	-	-	-	-
Total Fixed Rate Instruments			189,657,219	189,657,219	-	-	-	-

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Liquidity and Interest Risk Tables

The following tables detail the municipality's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay. The table includes both interest and principal cash flows.

TLOKWE LOCAL MUNICIPALITY

Description	Note ref in AFS	Average effective Interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
		%	R	R	R	R	R	R
30 JUNE 2012								
Variable Interest Rate Instruments - DBSA Loan	17	14.93%	4,360,499	132,399	132,399	264,798	794,394	3,036,508
Variable Interest Rate Instruments - DBSA Loan	17	14.93%	548,201	20,778.03	20,778.03	41,556	124,668	340,420
Variable Interest Rate Instruments - DBSA Loan	17	14.93%	16,066,658	361,761	361,761	723,521	2,170,564	12,449,052
Variable Interest Rate Instruments - DBSA Loan	17	11.62%	48,897,246	1,243,150	1,243,150	2,486,301	7,458,902	36,465,743
Variable Interest Rate Instruments - DBSA Loan	17	11.62%	24,595,609	625,312	625,312	1,250,624	3,751,872	18,342,488
			94,468,212	2,383,400	2,383,400	4,766,800	14,300,401	70,634,211
30 JUNE 2011								
Variable Interest Rate Instruments - DBSA Loan	17	14.79%	585,257	18,528	18,528	43,136	174,989	330,075
Variable Interest Rate Instruments - DBSA Loan	17	14.98%	4,595,993	117,747	117,747	274,998	1,125,881	2,959,619
Variable Interest Rate Instruments - DBSA Loan	17	14.98%	16,708,704	321,023	321,023	751,391	3,059,517	12,255,749
			21,889,954	457,299	457,298	1,069,525	4,360,388	15,545,444

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

GROUP

Description	Note ref in AFS	Average effective Interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
		%	R	R	R	R	R	R
30 JUNE 2012								
Variable Interest Rate Instruments - DBSA Loan	17	14.93%	4,360,499	132,399	132,399	264,798	794,394	3,036,508
Variable Interest Rate Instruments - DBSA Loan	17	14.93%	548,201	20,778.03	20,778.03	41,556	124,668	340,420
Variable Interest Rate Instruments - DBSA Loan	17	14.93%	16,066,658	361,761	361,761	723,521	2,170,564	12,449,052
Variable Interest Rate Instruments - DBSA Loan	17	11.62%	48,897,246	1,243,150	1,243,150	2,486,301	7,458,902	36,465,743
Variable Interest Rate Instruments - DBSA Loan	17	11.62%	24,595,609	625,312	625,312	1,250,624	3,751,872	18,342,488
			94,468,212	2,383,400	2,383,400	4,766,800	14,300,401	70,634,211
30 JUNE 2011								
Variable Interest Rate Instruments - DBSA Loan	17	14.79%	585,257	18,528	18,528	43,136	174,989	330,075
Variable Interest Rate Instruments - DBSA Loan	17	14.98%	4,595,993	117,747	117,747	274,998	1,125,881	2,959,619
Variable Interest Rate Instruments - DBSA Loan	17	14.98%	16,708,704	321,023	321,023	751,391	3,059,517	12,255,749
			21,889,954	457,299	457,298	1,069,525	4,360,388	15,545,444

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

38.12 Electricity & Water Losses

The following material losses occurred during the year under review:

	2012	2011
	R	R
Electricity:		
Units (kWh) purchased	458 272 588	469 229 260
Purchase cost per kWh	53.77c	43.17c
Units (kWh) sold	446 722 132	443 615 717
Units (kWh) lost with distribution	11 550 456	25 613 543
Percentage lost with distribution	2.25%	5.46%
Cost per unit sold	66.72c	55.08c
Income per unit sold	103.83c	80.69c
Water:		
kl purchased	15 050 539	14 459 652
Purchased cost per kiloliter	R 2.36	R 2.07
kl sold	13 915 767	12 593 292
kl lost with distribution	1 134 772	1 866 360
Percentage lost with distribution	7.54%	12.91%
Cost per kl sold	R 2.56	R 2.38
Income per kl sold	R 5.08	R 4.85

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

40. MULTI-EMPLOYER RETIREMENT BENEFIT INFORMATION

All councillors belong to the Pension Fund for Municipal Councillors.

Employees belong to a variety of approved Pension and Provident Funds as described below.

These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

The Municipal Councillors Fund and the Municipal Gratuity Fund are defined contribution plans. All of these afore-mentioned funds are multi-employer plans. Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:-

- (i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.
- (ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

Municipal Councillors Pension Fund:

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (13,75%) and Council (15,00%) is sufficient to fund the benefits accruing from the fund in the future.

Municipal Employees Pension Fund:

The Municipal Employees Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (7.5%) and Council (22,00%) is sufficient to fund the benefits accruing from the fund in the future.

Municipal Gratuity Fund:

The Municipal Gratuity Fund operates as a defined contribution scheme. The contribution rate paid by the members (7.5%) and Council (22,00%) is sufficient to fund the benefits accruing from the fund in the future.

Potchefstroom Municipal Retirement Fund

The Potchefstroom Municipal Retirement Fund operates as a defined contribution scheme. The contribution rate paid by the members (8.5%) and Council (22,00%) is sufficient to fund the benefits accruing from the fund in the future.

SALA Pension Fund:

The SALA Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (8.6%) and Council (20,78%) is sufficient to fund the benefits accruing from the fund in the future.

South African Municipal Workers Union National Provident Fund:

The SAMWU Provident Fund operates as a defined contribution scheme. The contribution rate paid by the members (8.0%) and Council (22,00%) is sufficient to fund the benefits accruing from the fund in the future.

41. RELATED PARTY TRANSACTIONS

41.1. Related party relationships:

Councillors

<u>Surname</u>	<u>Initials</u>	<u>Ward</u>
Moloi	KE	1
Froneman	JD	2
Landsberg	JC	3
Makhaza	MJ	4
Venter	JM	5
Phakedi	LVM	6
Combrink	AC	7
Mogoeemang	KEG	8
Mojapele	LW	9
Motingoe	AG	10
Selowane	SM	11
Madiehe-Teme	MJ	12
Johnson	SJ	13
Makoe	MC	14

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Pienaar	PJ	15
Mboniswa	NA	16
Qolome	QS	17
Bothoza	JN	18
Maduna	KBT	19
Mohlope	PA	20
Motlhabane	PI	21
Steenkamp	J	22
Kruger	R	23
Moolman	HJ	24
Le Roux	AA	25
Mahlabe	BE	26
Botha	FJ	Proportional
Bothoza	VL	Proportional
Carolus	DL	Proportional
Clarke	VC	Proportional
Coetzee	J	Proportional
Coetzer	CJ	Proportional
Dassie	MR	Proportional
Fransman	NS	Proportional
Hendricks	CT	Proportional
Hlahaswane	MD	Proportional
Johnson	CC	Proportional
Kham	XD	Proportional
Kruger	TG	Proportional
Legoete	MD	Proportional
Lethoba	MD	Proportional
Mampe	KB	Proportional
Maphetle	AJ	Proportional
Mokgethi	RH	Proportional
Mosiane-Segotso	BE	Proportional
Mosounyana	MP	Proportional
Qokela	YM	Proportional
Schoeman	D	Proportional
Stoltz	HC	Proportional
Taoleng	MA	Proportional
Tsagae	DNS	Proportional
Zerwick	LJ	Proportional

<u>Managers</u>	<u>Surname</u>	<u>Initials</u>	
Municipal Manager	Tyatya	SA	
Deputy Municipal Manager	Moumakwe	BG	(Contract expired 31 August 2011)
Chief Financial Officer	Jansen	MM	
Manager: Economic Development	Masitenyane	RTS	
Manager: Community Services	Labuschagne	PC	
Manager: Public Safety	Molapisi	GO	
Manager: Housing	Mohlomi	LMK	
Manager: Office of the Speaker	Groenewald	BHJ	(Contract expired 31 August 2011)

41.2 Services rendered to Related Parties

During the year the municipality rendered services to the following related parties that are related to the municipality as indicated:

	Rates Charges R	Service Charges R	Sundry Charges R	Total Balances R
For the Year ended 30 JUNE 2012				
Councillors	31,752	178,840	2,128	212,721
Municipal Manager and Section 57 managers	15,133	258,060	-	273,193
Total Services	46,885	436,900	2,128	485,914

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	Rates Charges R	Service Charges R	Sundry Charges R	Total Balances R
For the Year ended 30 JUNE 2011				
Councillors	71,379	349,121	5,560	426,060
Municipal Manager and Section 57 managers	29,680	250,753	50	280,483
Total Services	101,059	599,874	5,610	706,543

The services rendered to Related Parties are charged at approved tariffs that were advertised to the public. No Bad Debts were written off or recognised in respect of amounts owed by Related Parties.

The amounts outstanding are unsecured and will be settled in cash. Consumer Deposits were received from Councillors, the Municipal Manager and Section 57 managers. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

41.3 Loans granted to Related Parties

In terms of the MFMA, the municipality may not grant loans to its Councillors, Management, Staff and Public with effect from 1 July 2004.

41.4 Compensation of Related Parties

Compensation of Key Management Personnel and Councillors is set out in Notes 28 and 29 respectively, to the Annual Financial Statements.

Remuneration of the family of key management personnel and councillors that are employed at the municipality:

<u>Directors</u>	<u>Names</u>	<u>Family member</u>	<u>Department</u>	<u>Relationship</u>	<u>Remuneration</u>
Municipal Manager	SA Tyatya	n/a	n/a	n/a	n/a
Deputy Municipal Manager	BG Moumakwe	n/a	n/a	n/a	n/a
Chief Financial Officer	MM Jansen	n/a	n/a	n/a	n/a
Manager: Infrastructure	Vacant	n/a	n/a	n/a	n/a
Manager: Economic Development	RTS Masitenyane	n/a	n/a	n/a	n/a
Manager: Community Services	PC Labuschagne	n/a	n/a	n/a	n/a
Manager: Public Safety	GO Molapisi	n/a	n/a	n/a	n/a
Manager: Housing	LMK Mohlomi	n/a	n/a	n/a	n/a
Manager: Office of the Speaker	BHJ Groenewald	n/a	n/a	n/a	n/a
<u>Senior Managers</u>	<u>Names</u>	<u>Family member</u>	<u>Department</u>	<u>Relationship</u>	<u>Remuneration</u>
Deputy Manager: Finance	PNR Wilgenbus	n/a	n/a	n/a	n/a
Chief Audit Executive	GHO vd Berg	n/a	n/a	n/a	n/a
Housing	BJ Robbertse	n/a	n/a	n/a	n/a
Human Resources	N Klaas	n/a	n/a	n/a	n/a
Labour Relations	ER Mafolo	n/a	n/a	n/a	n/a
Community Services	ST Muswede	n/a	n/a	n/a	n/a
Environmental Management	HH Veldman	n/a	n/a	n/a	n/a
Infrastructure	J vd Berg	n/a	n/a	n/a	n/a
Infrastructure	CH Stoltz	HC Stoltz	n/a	Wife	n/a
Supply Chain Management	MMP Matsheka	n/a	n/a	n/a	n/a

<u>Councillors</u>	<u>Names</u>	<u>Family member</u>	<u>Department</u>	<u>Relationship</u>
Cllr Stoltz	HC	CH Stoltz	Infrastructure	Husband

41.5 Purchases from Related Parties

The municipality bought goods from the following companies, which are considered to be Related Parties:

Company Name	Related Person	Company Capacity	Municipal Capacity	2011/2012 Purchases for the Year R	2010/2011 Purchases for the Year R
Electro Mining Instruments (Pty) Ltd	FS Botha	70% Share	Councillor	71,405	64,490

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

41.6. Councillors and Officials with arrangements on consumer accounts

Councillors with arrangements

		R	R
<u>Surname</u>	<u>Initials</u>	<u>Total</u>	<u>Arrangement amount</u>
Madiehe	MJ	984	657
Hendriks	CT	1675	32637

Employees with arrangements

<u>Surname</u>	<u>Initials</u>	<u>Total</u>	<u>Arrangement amount</u>
Diphoko	MR	13	4118
Magaolane	SS	359	1907
Mokotedi	WR & EL	301	3519
Jack	MM & ZL	219	4925
Dhlamini	BM	142	1729
De Koker	H & L	57483	3508
Petersen	NJ	393	21312
Neba	MD	724	35416
Mothaudi	TV	2709	14902
Thebehadi	RS	364	2610
Madiehe	TI & MD	-307	1359
Ramphore	PKM	305	1251
Lebese	S J H	187	1051
Moeketsane	DD & MS	-56	1366
Mofokeng	M	714	2533
Sizane	S	7524	11723
Pheto	S & E	124	10143
Mathabele	JP	422	2472
Sebidi	N	-564	308
Moneymore	S	860	50
Modise	S P & D L	1269	514
Dunywa	LA & NWS	430	17795
Witbooi	NK	245	859
Seakamela	MP & DS	583	252
Mokgoetsi	RB & MT	819	1878
Montwedi	TJ & C M	2038	883
Mogorosi	JM	476	12051
Tshabadira	BF	503	2111
Gumede	NJ	5431	6065
Molefe	RR	5072	57944
Abinaar	MJ & PP	28122	7203
Maribe	M S	291	1816
Duarte	M F	4421	5018
Muswede	ST & MP	173	1518

41.7 Officials leasing council housing

		R	
<u>Surname</u>	<u>Initials</u>	<u>Monthly levy</u>	<u>Address</u>
Carsons	R	600	Kenneth Mc Arthur
Viljoen	H	1,850	Waterworks house
Essop	J	2,000	Waterworks house
Gilbert	D	1,600	Dam house 1

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

40.8 Awards made to the spouses of employees

These spouses had interest in the suppliers mentioned below, which conducted bussiness with the municipality

<u>Name of person</u>	<u>Position</u>	<u>Name of spouse/ partner/ associate</u>	<u>Relationship to person in service</u>	<u>Supplier Name</u>	<u>Expenditure (Payments) - current year</u>
Francois Jacobus Botha	General Expenses Council	Gertruida Hildagaard Berry	Spouse	Electro Instruments (Mining)	71,405
Malcolm David Grimbeek	Traffic Department	Anna Magrietha Van Der Linde	Spouse	Mag Hunting Safaris	35,590
Elizabeth Maria Van Niekerk	Parks: Administation	Stephanus Abraham Van Niekerk	Spouse	One Man Band Services	225,442
Wilwisia Veronique Waters	Administration	Phillip Jeremy Waters	Spouse	Coalition Trading 968	85,300
Keorapetse Adam Kamanga	Parks: Street Trees	Segomotso Maria Segotsane	Spouse	Castlehill Trading 242	12,000
Kedihentse Lena Moamogwa	Traffic Department	Tebogo France Moamogwa	Spouse	Moamogwa Construction	287,942
Monty Elias Fransman	Electricity: Distribution	Ferauza Afrika	Spouse	Never Give In Trading And Projects	15,480
Surech Tommy August	Rc: Water Purification	Aurelia Celehte Smith	Spouse	Lerato And Sons Catering Service	32,424
Mmokwa Lesley Modisetsi	Library: Ikageng	Omphile Rebecca Mathebula	Spouse	The Curve Behind Trading 566	38,600
					804,184

2012
R

2011
R

42. CONTINGENT LIABILITIES

42.1 Court Proceedings

	<u>1,696,633</u>	<u>73,634</u>
(1) Claim for non-payment of salary sick leave.	-	73,634
(2) Threatening claim against Council for damages. Possible counter claim by Council pending. This claim against council is because of contracted related issues with Labat. Both parties have stopped legal action for the time being.	n/a	n/a
(3) MDCC Consulting Engineers has initiated a claim against council.	593,000	-
(4) KP Moneymore was injured on a jungle gym and has initiated a claim against council.	1,100,000	-
(5) Dolomite risk - quantum to be calculated.	n/a	n/a
(6) Claim for non payment of salary during sick leave.	3,633	-

43. CONTINGENT ASSETS

43.2 Court Proceedings

	<u>749,000</u>	<u>100,000</u>
(1) Tlokwe City Council vs RG Nair i.r.o of a motor loan.	100,000	100,000
(2) Threatening claim against Council for damages. Possible counter claim by Council pending. This counter claim is because of contracted related issues with Labat. Both parties have stopped with legal action for the time being.	n/a	n/a
(3) Council has paid sub-contractors on behalf of main contractor who has already been paid	649,000	-

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

44. COMMITMENTS FOR EXPENDITURE

TLOKWE LOCAL MUNICIPALITY

GROUP

	2012	2011	2012	2011
	R	R	R	R
44.1 Capital Commitments				
Commitments in respect of Capital Expenditure:				
- Approved and Contracted for:-	36,488,151	24,278,267	36,488,151	24,278,267
Infrastructure	36,002,055	23,835,145	36,002,055	23,835,145
Community	-	-	-	-
Heritage	-	-	-	-
Other	486,096	443,122	486,096	443,122
Investment Properties	-	-	-	-
Total Capital Commitments	36,488,151	24,278,267	36,488,151	24,278,267
This expenditure will be financed from:				
External Loans	-	-	-	-
Capital Replacement Reserve	-	-	-	-
Government Grants	19,882,883	12,708,404	19,882,883	12,708,404
District Council Grants	-	-	-	-
Public Contributions	-	-	-	-
Own Resources	16,605,268	11,569,863	16,605,268	11,569,863
	36,488,151	24,278,267	36,488,151	24,278,267

45. COMPARISON WITH THE BUDGET

The comparison of the municipality's actual financial performance with that budgeted, is set out in Annexures "E (1) and E (2)".

46. EVENTS AFTER THE REPORTING DATE

No events after reporting date.

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

47. RECONCILIATION OF BUDGET TO SURPLUS

Operating Budget vs Operating Surplus:

Description	2011/2012 Actual	2011/2012 Budget	2011/2012 Variance	2011/2012 Variance
REVENUE				
Property Rates	90,593,412	90,069,329	524,083	1%
Service Charges	565,665,318	614,560,293	(48,894,975)	-9%
Rental of Facilities and Equipment	4,111,865	3,585,527	526,338	13%
Interest Earned - External investments	11,061,193	3,500,000	7,561,193	68%
Interest Earned - Outstanding debtors	12,249,459	13,000,000	(750,541)	-6%
Fines	4,704,114	3,082,900	1,621,214	34%
Licences and Permits	4,683,883	3,911,031	772,852	17%
Income for Agency Services	309,548	250,000	59,548	19%
Government Grants and Subsidies	95,681,094	120,353,018	(24,671,924)	-26%
Other Income	15,417,152	10,986,798	4,430,354	29%
Income foregone	-	(34,000)	34,000	100%
Total Revenue	804,477,037	863,264,896	(58,787,859)	-7%
EXPENDITURE				
Employee Related Costs	236,894,076	246,401,987	(9,507,911)	-4%
Remuneration of Councillors	14,440,475	14,290,910	149,565	1%
Depreciation	158,824,037	31,853,825	126,970,212	80%
Impairment Losses	7,389,274	10,000,000	(2,610,726)	-35%
Interest Paid	6,611,310	5,522,658	1,088,652	16%
Bulk Purchases	252,414,027	257,972,715	(5,558,688)	-2%
Contracted Services	40,303,254	42,379,948	(2,076,694)	-5%
Grants and Subsidies Paid	41,254,188	38,274,358	2,979,830	7%
General Expenses	121,275,251	152,118,248	(30,842,997)	-25%
Sale / Transfer of Assets	21,991,678	-	21,991,678	100%
Total Expenditure	901,397,570	798,814,649	102,582,921	11%
NET SURPLUS/(DEFICIT) FOR THE YEAR	(96,920,533)	64,450,247	(161,370,780)	

Refer to App E(1) for explanations of variances

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Operating Budget vs Operating Surplus (Group):

Description	2011/2012 Actual	2011/2012 Budget	2011/2012 Variance	2011/2012 Variance
REVENUE				
Property Rates	90,593,412	90,069,329	524,083	1%
Service Charges	565,665,318	614,560,293	(48,894,975)	-9%
Rental of Facilities and Equipment	4,111,865	3,585,527	526,338	13%
Interest Earned - External investments	11,061,193	3,500,000	7,561,193	68%
Interest Earned - Outstanding debtors	12,249,459	13,000,000	(750,541)	-6%
Fines	4,704,114	3,082,900	1,621,214	34%
Licences and Permits	4,683,883	3,911,031	772,852	17%
Income for Agency Services	309,548	250,000	59,548	19%
Government Grants and Subsidies	95,681,094	120,353,018	(24,671,924)	-26%
Other Income	15,417,152	10,986,798	4,430,354	29%
Income foregone	-	(34,000)	34,000	100%
Total Revenue	804,477,037	863,264,896	(58,787,859)	-7%
EXPENDITURE				
Employee Related Costs	236,894,076	246,401,987	(9,507,911)	-4%
Remuneration of Councillors	14,440,475	14,290,910	149,565	1%
Depreciation	158,824,037	31,853,825	126,970,212	80%
Impairment Losses	7,389,274	10,000,000	(2,610,726)	-35%
Interest Paid	6,611,310	5,522,658	1,088,652	16%
Bulk Purchases	252,414,027	257,972,715	(5,558,688)	-2%
Contracted Services	40,303,254	42,379,948	(2,076,694)	-5%
Grants and Subsidies Paid	41,254,188	38,274,358	2,979,830	7%
General Expenses	121,275,251	152,118,248	(30,842,997)	-25%
Sale / Transfer of Assets	21,991,678	-	21,991,678	100%
Total Expenditure	901,397,570	798,814,649	102,582,921	11%
NET SURPLUS/(DEFICIT) FOR THE YEAR	(96,920,533)	64,450,247	(161,370,780)	

Refer to App E(1) for explanations of variances

48. COMPARATIVE FIGURES

The comparative figures were restated as a result of the effect of Prior Period Errors (Note 34).

APPENDIX A
TLOKWE CITY COUNCIL
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2012

Details	Original Loan Amount	Loan Interest Rate	Loan Number	Redeemable	Balance at 30 JUNE 2011	Received during the Period	Redeemed/ Written Off during Period	Balance at 30 JUNE 2012
ANNUITY LOANS	R				R	R	R	R
DBSA	5,457,695	15.45%	10909	30/09/2020	4,595,993	-	(235,494)	4,360,499
DBSA	751,473	15.25%	10908	30/09/2019	585,257	-	(37,056)	548,201
DBSA	18,364,117	15.45%	13708	31/03/2022	16,708,704		(642,046)	16,066,658
DBSA	49,900,000	6.25%	103763/1	29/02/2032	-	49,900,000	(1,002,754)	48,897,246
DBSA	25,100,000	11.62%	103763/2	29/02/2032	-	25,100,000	(504,391)	24,595,609
Total Annuity Loans	99,573,285				21,889,954	75,000,000	(2,421,741)	94,468,212
TOTAL EXTERNAL LOANS	99,573,285				21,889,954	75,000,000	(2,421,741)	94,468,212

APPENDIX A
TLOKWE CITY COUNCIL GROUP
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2012

Details	Original Loan Amount	Loan Interest Rate	Loan Number	Redeemable	Balance at 30 JUNE 2011	Received during the Period	Redeemed/ Written Off during Period	Balance at 30 JUNE 2012
ANNUITY LOANS	R				R	R	R	R
DBSA	5,457,695	15.45%	10909	30/09/2020	4,595,993	-	(235,494)	4,360,499
DBSA	751,473	15.25%	10908	30/09/2019	585,257	-	(37,056)	548,201
DBSA	18,364,117	15.45%	13708	31/03/2022	16,708,704		(642,046)	16,066,658
DBSA	49,900,000	6.25%	103763/1	29/02/2032	-	49,900,000	(1,002,754)	48,897,246
DBSA	25,100,000	11.62%	103763/2	29/02/2032	-	25,100,000	(504,391)	24,595,609
Total Annuity Loans	99,573,285				21,889,954	75,000,000	(2,421,741)	94,468,212
TOTAL EXTERNAL LOANS	99,573,285				21,889,954	75,000,000	(2,421,741)	94,468,212

APPENDIX B
TLOKWE CITY COUNCIL
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2012

Description	Historical Cost							Accumulated Depreciation							Carrying Value	Assets Held for Sale
	Opening Balance	Correction of Error	Opening Balance	Additions 2012	Losses	Disposals / Transfers	Closing Balance	Opening Balance	Correction of error - Acc depr	Correction of error - Depreciation	Depreciation 2012	Losses	Disposals	Closing Balance		
	R			R	R		R	R			R	R		R	R	R
COMMUNITY																
Establishment of Parks and Gardens	4,384,496	3,470,501	7,854,997	48,215	-	-	7,903,212	(981,036)	(1,799,144)	(197,868)	(416,359)	-	-	(3,394,407)	4,508,805.03	-
Sportsfields	13,645,884	34,234,886	47,880,770	1,931,419	-	-	49,812,188	(8,698,775)	(3,726,354)	(1,716,783)	(2,361,988)	-	-	(16,503,900)	33,308,287.76	-
Community Halls	4,580,672	68,003,425	72,584,097	-	-	-	72,584,097	(3,470,415)	(12,947,591)	(3,361,531)	(3,544,758)	-	-	(23,324,295)	49,259,802.12	-
Libraries	9,755,718	44,234,548	53,990,266	723,074	-	-	54,713,341	(2,934,502)	(8,508,764)	(1,626,602)	(2,017,536)	-	-	(15,087,403)	39,625,937.21	-
Recreational facilities	15,150,549	22,752,103	37,902,652	152,377	-	-	38,055,029	(11,051,039)	(885,751)	(1,003,136)	(1,618,518)	-	-	(14,558,444)	23,496,585.81	-
Clinics	324,227	14,085,431	14,409,658	-	-	-	14,409,658	(274,611)	(2,735,199)	(686,251)	(699,220)	-	-	(4,395,280)	10,014,377.61	-
Museums and Art Galleries	1,237,541	6,474,903	7,712,544	-	-	-	7,712,544	(766,530)	(894,345)	(313,760)	(363,266)	-	-	(2,337,902)	5,374,642.48	-
Other Community	1,212,111	8,727,590	9,939,701	-	-	-	9,939,701	(1,088,988)	(2,671,788)	(475,062)	(534,824)	-	-	(4,770,662)	5,169,039.52	-
	50,291,299	201,983,387	252,274,686	2,855,085	-	-	255,129,771	(29,265,895)	(34,168,938)	(9,380,993)	(11,556,467)	-	-	(84,372,293)	170,757,477.54	-
INFRASTRUCTURE																
Roads, Pavements, Bridges and Storm Water	199,921,117	2,233,901,516	2,433,822,632	35,524,180	-	-	2,469,346,813	(73,513,218)	(891,201,440)	(62,647,064)	(67,630,660)	-	-	(1,094,992,381)	1,374,354,431.44	-
Water Reservoirs and Reticulation	45,433,719	504,286,645	549,720,364	797,196	-	-	550,517,561	(16,669,480)	(169,686,767)	(17,552,066)	(18,907,530)	-	-	(222,815,844)	327,701,716.83	-
Car Parks, Bus Terminals and Taxi Ranks	1,987,780	8,675,667	10,663,447	-	-	-	10,663,447	(912,611)	(3,990,147)	(308,826)	(422,498)	-	-	(5,634,081)	5,029,366.30	-
Electricity Reticulation	203,297,087	188,719,012	392,016,099	33,503,000	-	-	425,519,099	(99,621,158)	(51,563,313)	(6,073,404)	(9,540,412)	-	-	(166,798,287)	258,720,811.74	-
Sewerage Purification and Reticulation	99,739,535	321,460,967	421,200,501	3,501,049	-	-	424,701,550	(43,923,364)	(117,338,676)	(10,448,237)	(13,121,265)	-	-	(184,831,541)	239,870,008.60	-
Street Lighting	5,842,599	51,569,603	57,412,202	586,298	-	-	57,998,500	(1,335,799)	(17,870,784)	(1,289,226)	(1,437,733)	-	-	(21,933,542)	36,064,958.36	-
Solid Waste	14,203,651	(771,175)	13,432,476	1,515,576	(419,867)	-	14,528,185	(4,799,306)	295,417	76,257	(545,895)	352,629	-	(4,620,899)	9,907,285.62	-
Other Infrastructure	16,217,439	(9,235,238)	6,982,201	-	-	-	6,982,201	(10,144,808)	4,279,456	465,783	(279,288)	-	-	(5,678,858)	1,303,343.81	-
	586,642,927	3,298,606,997	3,885,249,924	75,427,300	(419,867)	-	3,960,257,356	(250,819,745)	(1,247,076,253)	(97,776,783)	(111,885,282)	352,629	-	(1,707,305,433)	2,252,951,922.69	-
HERITAGE																
Heritage	838,371	-	838,371	-	-	-	838,371	-	-	-	-	-	-	-	838,370.63	-
	838,371		838,371	-	-	-	838,371	-	-	-	-	-	-	-	838,370.63	-
HOUSING																
Housing Schemes	2,438,554	78,577,563	81,016,117	-	-	-	81,016,117	(615,620)	(25,748,875)	(3,548,023)	(3,699,068)	-	-	(33,611,586)	47,404,530.76	-
	2,438,554	78,577,563	81,016,117	-	-	-	81,016,117	(615,620)	(25,748,875)	(3,548,023)	(3,699,068)	-	-	(33,611,586)	47,404,530.76	-
OTHER ASSETS																
Motor Vehicles	37,692,477	(2,682,129)	35,010,348	7,412,984	(3,006,420)	(504,563)	38,912,349	(8,970,228)	296,609	362,523	(3,771,570)	714,909	215,153	(11,152,604)	27,759,745.07	-
Plant and Equipment	30,113,149	(13,899,698)	16,213,451	1,580,315	(908,344)	-	16,885,423	(12,696,218)	1,578,215	3,027,169	(1,620,549)	712,281	-	(8,999,102)	7,886,320.24	-
Office Equipment	32,470,824	990,834	33,461,659	4,055,196	(1,165,060)	-	36,351,795	(11,112,754)	729,582	544,184	(6,660,069)	515,865	-	(15,983,191)	20,368,603.97	-
Security Measures	7,565,194	(583,295)	6,981,899	1,067,749	(1,897,832)	-	6,151,816	(3,620,929)	250,407	272,281	(1,684,488)	1,546,130	-	(3,236,600)	2,915,215.84	-
Library Books	-	4,125,005	4,125,005	159,788	-	-	4,284,793	-	(411,534)	(412,085)	(417,988)	-	-	(1,241,607)	3,043,186.23	-
	107,841,645	(12,049,282)	95,792,363	14,276,032	(6,977,656)	(504,563)	102,586,176	(36,400,129)	2,443,279	3,794,071	(14,154,664)	3,489,185	215,153	(40,613,105)	61,973,071.34	-
LAND & BUILDINGS																
Land	527,748,600	(200,230,800)	327,517,800	-	-	(3,060,800)	324,457,000	-	-	-	-	-	-	-	324,457,000.00	7,054,000
Buildings	39,622,226	310,667,041	350,289,267	4,685,348	-	-	354,974,615	(20,654,217)	(43,879,793)	(15,575,245)	(17,484,110)	-	-	(97,593,363)	257,381,251.74	-
	567,370,826	110,436,241	677,807,067	4,685,348	-	(3,060,800)	679,431,615	(20,654,217)	(43,879,793)	(15,575,245)	(17,484,110)	-	-	(97,593,363)	581,838,251.74	7,054,000
Total	1,315,423,622	3,677,554,905	4,992,978,527	97,243,765	(7,397,523)	(3,565,363)	5,079,259,406	(337,855,606)	(1,348,430,580)	(122,486,873)	(158,779,590)	3,841,813	215,153	(1,963,495,781)	3,115,763,624.71	7,054,000

ANALYSIS OF INVESTMENT PROPERTIES AS AT 30 June 2012																
Description	Historical Cost							Accumulated Depreciation							Carrying Value	Assets Held for Sale
	Opening Balance	Correction of Error	Opening Balance	Additions 2012	Losses	Disposals / Transfers	Closing Balance	Opening Balance	Correction of error - Acc depr	Correction of error - Depreciation	Depreciation 2012	Losses	Disposals	Closing Balance		
	R			R	R		R	R			R	R		R	R	
Investment Properties	24,420,000	(13,720,000)	10,700,000	-	-	-	10,700,000	-	-	-	-	-	-	-	10,700,000	-
	24,420,000	(13,720,000)	10,700,000	-	-	-	10,700,000	-	-	-	-	-	-	-	10,700,000	-

TLOKWE CITY COUNCIL GROUP ANALYSIS OF INTANGIBLE ASSETS AS AT 30 June 2012																
Description	Historical Cost							Accumulated Depreciation							Carrying Value	Assets Held for Sale
	Opening Balance	Correction of Error	Opening Balance	Additions 2012	Losses	Disposals / Transfers	Closing Balance	Opening Balance	Correction of error - Acc depr	Correction of error - Depreciation	Depreciation 2012	Losses	Disposals	Closing Balance		
	R			R	R		R	R			R	R		R	R	
Intangible Assets																
Computer Software	2,207,240	-	2,207,240	-	-	-	2,207,240	-2,207,240	-	-	-	-	-	-2,207,240	-	-
Service and Operating Rights & Other	1,767,126	-	1,767,126	-	-	-	1,767,126	-1,640,654	-	-	-44,447	-	-	-1,685,101	82,025	-
	3,974,367	-	3,974,367	-	-	-	3,974,367	-3,847,895	-	-	-44,447	-	-	-3,892,342	82,025	-
Total Fixed Asset Register	1,343,817,988	3,663,834,905	5,007,652,893	97,243,765	-7,397,523	-3,565,363	5,093,933,773	-341,703,501	-1,348,430,580	-122,486,973	-158,824,037	3,841,813	215,153	-1,967,388,123	3,126,545,650	7,054,000

APPENDIX B
TLOKWE CITY COUNCIL GROUP
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2012

Description	Historical Cost							Accumulated Depreciation							Carrying Value	Assets Held for Sale
	Opening Balance	Correction of Error	Opening Balance	Additions 2012	Losses	Disposals / Transfers	Closing Balance	Opening Balance	Correction of error - Acc depr	Correction of error - Depreciation	Depreciation 2012	Losses	Disposals	Closing Balance		
	R			R	R		R	R			R	R		R	R	R
COMMUNITY																
Establishment of Parks and Gardens	4,384,496	3,470,501	7,854,997	48,215	-	-	7,903,212	(981,036)	(1,799,144)	(197,868)	(416,359)	-	-	(3,394,407)	4,508,805.03	-
Sportsfields	13,645,884	34,234,886	47,880,770	1,931,419	-	-	49,812,188	(8,698,775)	(3,726,354)	(1,716,783)	(2,361,988)	-	-	(16,503,900)	33,308,287.76	-
Community Halls	4,580,672	68,003,425	72,584,097	-	-	-	72,584,097	(3,470,415)	(12,947,591)	(3,361,531)	(3,544,758)	-	-	(23,324,295)	49,259,802.12	-
Libraries	9,755,718	44,234,548	53,990,266	723,074	-	-	54,713,341	(2,934,502)	(8,508,764)	(1,626,602)	(2,017,536)	-	-	(15,087,403)	39,625,937.21	-
Recreational facilities	15,150,549	22,752,103	37,902,652	152,377	-	-	38,055,029	(11,051,039)	(885,751)	(1,003,136)	(1,618,518)	-	-	(14,558,444)	23,496,585.81	-
Clinics	324,227	14,085,431	14,409,658	-	-	-	14,409,658	(274,611)	(2,735,199)	(686,251)	(699,220)	-	-	(4,395,280)	10,014,377.61	-
Museums and Art Galleries	1,237,541	6,474,903	7,712,544	-	-	-	7,712,544	(766,530)	(894,345)	(313,760)	(363,266)	-	-	(2,337,902)	5,374,642.48	-
Other Community	1,212,111	8,727,590	9,939,701	-	-	-	9,939,701	(1,088,988)	(2,671,788)	(475,062)	(534,824)	-	-	(4,770,662)	5,169,039.52	-
	50,291,299	201,983,387	252,274,686	2,855,085	-	-	255,129,771	(29,265,895)	(34,168,938)	(9,380,993)	(11,556,467)	-	-	(84,372,293)	170,757,477.54	-
INFRASTRUCTURE																
Roads, Pavements, Bridges and Storm Water	199,921,117	2,233,901,516	2,433,822,632	35,524,180	-	-	2,469,346,813	(73,513,218)	(891,201,440)	(62,647,064)	(67,630,660)	-	-	(1,094,992,381)	1,374,354,431.44	-
Water Reservoirs and Reticulation	45,433,719	504,286,645	549,720,364	797,196	-	-	550,517,561	(16,669,480)	(169,686,767)	(17,552,066)	(18,907,530)	-	-	(222,815,844)	327,701,716.83	-
Car Parks, Bus Terminals and Taxi Ranks	1,987,780	8,675,667	10,663,447	-	-	-	10,663,447	(912,611)	(3,990,147)	(308,826)	(422,498)	-	-	(5,634,081)	5,029,366.30	-
Electricity Reticulation	203,297,087	188,719,012	392,016,099	33,503,000	-	-	425,519,099	(99,621,158)	(51,563,313)	(6,073,404)	(9,540,412)	-	-	(166,798,287)	258,720,811.74	-
Sewerage Purification and Reticulation	99,739,535	321,460,967	421,200,501	3,501,049	-	-	424,701,550	(43,923,364)	(117,338,676)	(10,448,237)	(13,121,265)	-	-	(184,831,541)	239,870,008.60	-
Street Lighting	5,842,599	51,569,603	57,412,202	586,298	-	-	57,998,500	(1,335,799)	(17,870,784)	(1,289,226)	(1,437,733)	-	-	(21,933,542)	36,064,958.36	-
Solid Waste	14,203,651	(771,175)	13,432,476	1,515,576	(419,867)	-	14,528,185	(4,799,306)	295,417	76,257	(545,895)	352,629	-	(4,620,899)	9,907,285.62	-
Other Infrastructure	16,217,439	(9,235,238)	6,982,201	-	-	-	6,982,201	(10,144,808)	4,279,456	465,783	(279,288)	-	-	(5,678,858)	1,303,343.81	-
	586,642,927	3,298,606,997	3,885,249,924	75,427,300	(419,867)	-	3,960,257,356	(250,819,745)	(1,247,076,253)	(97,776,783)	(111,885,282)	352,629	-	(1,707,305,433)	2,252,951,922.69	-
HERITAGE																
Heritage	838,371	-	838,371	-	-	-	838,371	-	-	-	-	-	-	-	838,370.63	-
	838,371		838,371	-	-	-	838,371	-	-	-	-	-	-	-	838,370.63	-
HOUSING																
Housing Schemes	2,438,554	78,577,563	81,016,117	-	-	-	81,016,117	(615,620)	(25,748,875)	(3,548,023)	(3,699,068)	-	-	(33,611,586)	47,404,530.76	-
	2,438,554	78,577,563	81,016,117	-	-	-	81,016,117	(615,620)	(25,748,875)	(3,548,023)	(3,699,068)	-	-	(33,611,586)	47,404,530.76	-
OTHER ASSETS																
Motor Vehicles	37,692,477	(2,682,129)	35,010,348	7,412,984	(3,006,420)	(504,563)	38,912,349	(8,970,228)	296,609	362,523	(3,771,570)	714,909	215,153	(11,152,604)	27,759,745.07	-
Plant and Equipment	30,113,149	(13,899,698)	16,213,451	1,580,315	(908,344)	-	16,885,423	(12,696,218)	1,578,215	3,027,169	(1,620,549)	712,281	-	(8,999,102)	7,886,320.24	-
Office Equipment	32,470,824	990,834	33,461,659	4,055,196	(1,165,060)	-	36,351,795	(11,112,754)	729,582	544,184	(6,660,069)	515,865	-	(15,983,191)	20,368,603.97	-
Security Measures	7,565,194	(583,295)	6,981,899	1,067,749	(1,897,832)	-	6,151,816	(3,620,929)	250,407	272,281	(1,684,488)	1,546,130	-	(3,236,600)	2,915,215.84	-
Library Books	-	4,125,005	4,125,005	159,788	-	-	4,284,793	-	(411,534)	(412,085)	(417,988)	-	-	(1,241,607)	3,043,186.23	-
	107,841,645	(12,049,282)	95,792,363	14,276,032	(6,977,656)	(504,563)	102,586,176	(36,400,129)	2,443,279	3,794,071	(14,154,664)	3,489,185	215,153	(40,613,105)	61,973,071.34	-
LAND & BUILDINGS																
Land	527,748,600	(200,230,800)	327,517,800	-	-	(3,060,800)	324,457,000	-	-	-	-	-	-	-	324,457,000.00	7,054,000
Buildings	39,622,226	310,667,041	350,289,267	4,685,348	-	-	354,974,615	(20,654,217)	(43,879,793)	(15,575,245)	(17,484,110)	-	-	(97,593,363)	257,381,251.74	-
	567,370,826	110,436,241	677,807,067	4,685,348	-	(3,060,800)	679,431,615	(20,654,217)	(43,879,793)	(15,575,245)	(17,484,110)	-	-	(97,593,363)	581,838,251.74	7,054,000
Total	1,315,423,622	3,677,554,905	4,992,978,527	97,243,765	(7,397,523)	(3,565,363)	5,079,259,406	(337,855,606)	(1,348,430,580)	(122,486,873)	(158,779,590)	3,841,813	215,153	(1,963,495,781)	3,115,763,624.71	7,054,000

ANALYSIS OF INVESTMENT PROPERTIES AS AT 30 June 2012																
Description	Historical Cost							Accumulated Depreciation							Carrying Value	Assets Held for Sale
	Opening Balance	Correction of Error	Opening Balance	Additions 2012	Losses	Disposals / Transfers	Closing Balance	Opening Balance	Correction of error - Acc depr	Correction of error - Depreciation	Depreciation 2012	Losses	Disposals	Closing Balance		
	R			R	R		R	R			R	R		R	R	
Investment Properties	24,420,000	(13,720,000)	10,700,000	-	-	-	10,700,000	-	-	-	-	-	-	-	10,700,000	-
	24,420,000	(13,720,000)	10,700,000	-	-	-	10,700,000	-	-	-	-	-	-	-	10,700,000	-

TLOKWE CITY COUNCIL GROUP ANALYSIS OF INTANGIBLE ASSETS AS AT 30 June 2012																
Description	Historical Cost							Accumulated Depreciation							Carrying Value	Assets Held for Sale
	Opening Balance	Correction of Error	Opening Balance	Additions 2012	Losses	Disposals / Transfers	Closing Balance	Opening Balance	Correction of error - Acc depr	Correction of error - Depreciation	Depreciation 2012	Losses	Disposals	Closing Balance		
	R			R	R		R	R			R	R		R	R	
Intangible Assets																
Computer Software	2,207,240	-	2,207,240	-	-	-	2,207,240	-2,207,240	-	-	-	-	-	-2,207,240	-	-
Service and Operating Rights & Other	1,767,126	-	1,767,126	-	-	-	1,767,126	-1,640,654	-	-	-44,447	-	-	-1,685,101	82,025	-
	3,974,367	-	3,974,367	-	-	-	3,974,367	-3,847,895	-	-	-44,447	-	-	-3,892,342	82,025	-
Total Fixed Asset Register	1,343,817,988	3,663,834,905	5,007,652,893	97,243,765	-7,397,523	-3,565,363	5,093,933,773	-341,703,501	-1,348,430,580	-122,486,973	-158,824,037	3,841,813	215,153	-1,967,388,123	3,126,545,650	7,054,000

APPENDIX C
TLOKWE CITY COUNCIL
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT 30 JUNE 2012

	Opening Balance	Additions	Disposals / Transfers	Closing Balance	Accumulated Depreciation				Carrying Value	Budget Additions 2011/2012
					Opening Balance	Additions	Disposals / Transfers	Closing Balance		
Executive and Council	114,221,643	970,688	593,097	114,599,235	27,315,825	6,381,212	402,338	33,294,698	81,304,537	978,330
Finance and Administration	14,486,019	1,202,894	594,341	15,094,573	7,354,092	2,387,609	407,269	9,334,432	5,760,141	1,489,934
Planning and Development	869,644	62,875	13,000	919,519	259,289	171,147	8,011	422,425	497,094	1,028,265
Health	14,409,658	-	-	14,409,658	3,696,061	699,220	-	4,395,280	10,014,378	-
Community and Social Services	164,381,981	4,751,867	562,813	168,571,036	43,093,289	8,697,459	205,937	51,584,811	116,986,225	5,219,846
Housing	420,049,562	324,348	3,088,225	417,285,684	30,190,649	3,878,133	13,181	34,055,600	383,230,084	473,531
Public Safety	43,624,309	2,080,660	1,887,894	43,817,075	11,133,756	3,712,071	788,155	14,057,673	29,759,402	2,576,369
Sport and Recreation	182,037,703	3,926,779	2,030,514	183,933,967	55,074,774	10,739,295	1,251,054	64,563,015	119,370,953	12,342,981
Environmental Protection	722,151	-	1,934	720,217	91,574	135,540	1,349	225,765	494,452	-
Waste Management	434,160,009	9,603,991	422,307	443,341,693	175,782,870	13,868,615	353,729	189,297,755	254,043,938	16,895,883
Road Transport	2,443,926,713	38,087,726	589,301	2,481,425,138	1,030,011,856	68,837,268	144,301	1,098,704,823	1,382,720,315	62,752,947
Water	588,789,389	677,346	70,847	589,395,888	214,224,399	20,935,199	46,184	235,113,414	354,282,474	267,935
Electricity	465,087,551	35,554,592	791,937	499,850,206	181,884,629	12,210,601	207,234	193,887,995	305,962,211	36,488,581
Other	120,469,178	-	283,028	120,186,150	32,124,257	6,170,669	228,225	38,066,701	82,119,449	-
TOTAL	5,007,235,510	97,243,766	10,929,238	5,093,550,038	1,812,237,318	158,824,037	4,056,967	1,967,004,388	3,126,545,650	140,514,602

APPENDIX C
TLOKWE CITY COUNCIL GROUP
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT 30 JUNE 2012

	Opening Balance	Additions	Disposals / Transfers	Closing Balance	Accumulated Depreciation				Carrying Value	Budget Additions 2011/2012
					Opening Balance	Additions	Disposals / Transfers	Closing Balance		
Executive and Council	114,221,643	970,688	593,097	114,599,235	27,315,825	6,381,212	402,338	33,294,698	81,304,537	978,330
Finance and Administration	14,486,019	1,202,894	594,341	15,094,573	7,354,092	2,387,609	407,269	9,334,432	5,760,141	1,489,934
Planning and Development	869,644	62,875	13,000	919,519	259,289	171,147	8,011	422,425	497,094	1,028,265
Health	14,409,658	-	-	14,409,658	3,696,061	699,220	-	4,395,280	10,014,378	-
Community and Social Services	164,381,981	4,751,867	562,813	168,571,036	43,093,289	8,697,459	205,937	51,584,811	116,986,225	5,219,846
Housing	420,049,562	324,348	3,088,225	417,285,684	30,190,649	3,878,133	13,181	34,055,600	383,230,084	473,531
Public Safety	43,624,309	2,080,660	1,887,894	43,817,075	11,133,756	3,712,071	788,155	14,057,673	29,759,402	2,576,369
Sport and Recreation	182,037,703	3,926,779	2,030,514	183,933,967	55,074,774	10,739,295	1,251,054	64,563,015	119,370,953	12,342,981
Environmental Protection	722,151	-	1,934	720,217	91,574	135,540	1,349	225,765	494,452	-
Waste Management	434,160,009	9,603,991	422,307	443,341,693	175,782,870	13,868,615	353,729	189,297,755	254,043,938	16,895,883
Road Transport	2,443,926,713	38,087,726	589,301	2,481,425,138	1,030,011,856	68,837,268	144,301	1,098,704,823	1,382,720,315	62,752,947
Water	588,789,389	677,346	70,847	589,395,888	214,224,399	20,935,199	46,184	235,113,414	354,282,474	267,935
Electricity	465,087,551	35,554,592	791,937	499,850,206	181,884,629	12,210,601	207,234	193,887,995	305,962,211	36,488,581
Other	120,469,178	-	283,028	120,186,150	32,124,257	6,170,669	228,225	38,066,701	82,119,449	-
TOTAL	5,007,235,510	97,243,766	10,929,238	5,093,550,038	1,812,237,318	158,824,037	4,056,967	1,967,004,388	3,126,545,650	140,514,602

APPENDIX D
TLOKWE CITY COUNCIL GROUP
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012

2011 Actual Income	2011 Budgeted Income	2011 Actual Expenditure	2011 Budgeted Expenditure	2011 Surplus/ (Deficit)	Description	2012 Actual Income	2012 Budgeted Income	2012 Actual Expenditure	2012 Budgeted Expenditure	2012 Surplus/ (Deficit)
751,053	751,200	-58,855,441	-58,849,316	-58,104,389	Executive and council	817,990	790,000	-66,744,776	-67,347,407	-65,926,786
-	1,200	-25,240,485	-24,737,750	-25,240,485	GENERAL EXPENSES OF THE COUNCIL	-	-	-29,791,602	-30,524,614	-29,791,602
-	-	-2,299,767	-2,563,662	-2,299,767	OFFICE OF THE SPEAKER	-	-	-2,705,847	-3,201,874	-2,705,847
-	-	-11,074,758	-11,592,297	-11,074,758	EXECUTIVE MAYOR	-	-	-12,947,024	-13,171,344	-12,947,024
-	-	-834,783	-670,260	-834,783	STRATEGIC MANAGEMENT	-	-	-1,582,703	-1,856,095	-1,582,703
1,053	-	-2,549,559	-2,618,817	-2,548,506	COMMUNICATION	27,990	-	-2,902,894	-3,125,704	-2,874,904
-	-	-5,802,995	-5,947,586	-5,802,995	ADMINISTRATION	-	-	-5,513,317	-6,335,856	-5,513,317
750,000	750,000	-9,547,186	-9,123,286	-8,797,186	MUNICIPAL MANAGER	790,000	790,000	-9,854,945	-7,538,528	-9,064,945
-	-	-1,505,909	-1,595,658	-1,505,909	SINGLE WHIP	-	-	-1,446,444	-1,593,392	-1,446,444
179,510,121	180,594,918	-241,140,382	-102,600,873	-61,630,261	Finance and Administration	195,922,895	194,729,569	-252,209,528	-136,200,172	-56,286,633
-	-	-48,713	-1,070,000	-48,713	DONATIONS	54,148	-	-59,536	-57,500	-5,388
-	-	-400,006	-442,077	-400,006	OCCUPATIONAL HEALTH & SAFETY	-	-	-486,102	-518,268	-486,102
76,521	81,440	-294,093	-295,308	-217,572	HOUSING:SE:SKEMERING(36FLATS)	81,062	86,079	-284,328	-276,150	-203,266
56,731	60,905	-112,936	-122,905	-56,206	HOUSING:SE:HARMONIE(26FLATS)	62,456	56,500	-103,386	-93,500	-40,930
43,610	43,338	-55,311	-89,238	-11,701	HOUSING:SE:IMMERGROEN(20FLATS)	46,580	44,900	-53,909	-44,900	-7,330
181,951	154,649	-177,448	-186,999	4,502	HOUSING:SE:UITKOMS(69FLATS)/1CH	193,340	177,500	-219,014	-177,500	-25,674
-	-	-3,429,864	-3,762,382	-3,429,864	SECURITY	-	-	-4,902,124	-4,973,482	-4,902,124
580,821	250,000	-328,197	-328,045	252,624	TOWN LANDS	236,073	267,500	-320,696	-572,849	-84,623
80,360,659	72,907,339	-167,632	-167,632	80,193,027	ASSESSMENT RATES	90,593,412	90,069,329	-167,632	-167,632	90,425,780
-	-	-229,139	-225,000	-229,139	GRANTS-IN-AID AND DONATIONS	-	-	-432,444	-400,000	-432,444
311,244	303,829	-371,714	-491,879	-60,470	IKAGENG FLATS	311,419	311,000	-393,889	-392,000	-82,470
-	-	-2,451,188	-2,739,756	-2,451,188	ASSET MANAGEMENT	-	-	-5,239,688	-3,796,085	-5,239,688
1,365,616	373,000	-3,404,821	-2,361,647	-2,039,205	HUMAN RESOURCES	684,634	95,380	-3,224,518	-3,037,575	-2,539,885
-	-	-1,956,911	-2,052,690	-1,956,911	EMPLOYMENT EQUITY & SKILLS DEVELOPMENT	-	-	-2,475,820	-2,620,110	-2,475,820
-	-	-511,205	-521,855	-511,205	LEGAL SERVICES	-	-	-531,988	-566,586	-531,988
-	-	-8,201	-13,511	-8,201	RESEARCH:GY,D,A & C	-	-	-17,813	-29,827	-17,813
-	-	-2,189,649	-2,267,704	-2,189,649	CORPORATE SERVICES ADMINISTRATION	-	-	-2,158,554	-2,466,260	-2,158,554
-	-	-	-	-	CLEANING SERVICES	-	-	-	-	-
-	-	199,335	171,588	199,335	PRINTING DEPT	-	-	-12,727	-134,285	-12,727
95,241,527	105,210,000	-173,807,287	-43,832,027	-78,565,760	FINANCE	102,110,102	102,236,611	-184,274,675	-72,671,802	-82,164,573
-	-	-2,385,579	-2,399,776	-2,385,579	GOVERNANCE	-	-	-2,495,630	-2,724,082	-2,495,630
-	-	-18,876,948	-12,484,984	-18,876,948	BUDGET MANAGEMENT	-	-	-19,673,558	-10,628,312	-19,673,558
1,028,380	1,000,000	-20,003,926	-13,517,932	-18,975,546	FINANCIAL MANAGEMENT	1,340,207	1,250,000	-9,708,623	-12,424,306	-8,368,416
201,172	150,000	-8,018,148	-8,229,715	-7,816,976	REVENUE MANAGEMENT	145,439	80,000	-8,671,411	-9,529,911	-8,525,972
-	-	2,721,768	295,592	2,721,768	COMPUTER SERVICES	-	-	440,229	-572,518	440,229
-	-	-1,559,718	-2,096,580	-1,559,718	TELEPHONE EXCHANGE	-	-	-1,986,199	-2,280,837	-1,986,199
-	-	-2,395,232	-2,382,792	-2,395,232	VALUATION SERVICES	-	-	-3,702,116	-3,875,520	-3,702,116
-	-	-	-	-	PROMOSA: HOUSE ECON SCH 1	-	-	-	-	-
189	180	-5	-680	184	PROMOSA: E.L.S SCHEME 2(6HOUSE	205	170	-66	-206	139
1,712	1,712	-1,544	-3,212	168	PROMOSA: E.L.S.SCHEME7(30HOUSE	1,691	1,500	-522	-1,500	1,169
33,878	33,924	-16,595	-63,924	17,283	PROMOSA: SUB ECO SCH 1+2(378H)	33,885	30,000	-30,830	-30,000	3,055
804	864	-14	-1,864	791	PROMOSA: SUB ECO SCH3 (19 H)	1,064	600	-166	-600	898
1,798	1,923	-376	-4,923	1,423	PROMOSA: SUB ECO SCH4 (53HOUSE	1,897	1,700	-1,010	-1,700	887
1,776	1,776	-23	-2,776	1,753	PROMOSA: SUB ECO SCH 5 (75 HOU	1,776	1,600	-273	-1,600	1,503

5,275	4,520	-3,237	-10,520	2,037	PROMOSA: E.L.S. SCHEME 8 (51H)	5,275	4,700	-4,563	-4,700	711
16,456	15,519	-19,647	-23,519	-3,191	PROMOSA: E.L.S.SCH9(10 FLATS)	18,231	14,500	-16,122	-14,500	2,108
-	-	-836,178	-874,201	-836,178	EMPLOYEE ASSISTANCE PROGRAMME	-	-	-999,823	-1,113,569	-999,823
28,426,144	29,663,000	-13,799,427	-19,806,549	14,626,716	Planning and development	17,465,346	1,295,069	-17,325,213	-22,960,715	140,133
515,082	400,000	-2,415,319	-2,481,913	-1,900,237	LAND DEVELOPMENT AND PROPERTY RIGHTS	470,873	230,000	-2,886,153	-4,889,168	-2,415,279
351,400	145,000	-4,490,073	-4,762,050	-4,138,673	LAND USE MANAGEMENT	494,171	277,993	-7,602,641	-7,906,056	-7,108,470
26,355,045	28,400,000	-2,715,168	-8,453,644	23,639,876	CIVIL ENG: DESIGN OFFICE	15,394,591	-	-2,859,987	-3,710,636	12,534,604
557,107	255,000	-4,082,874	-3,981,738	-3,525,767	ECONOMIC DEVELOPMENT	392,409	253,000	-3,875,151	-4,275,086	-3,482,742
647,509	463,000	-95,993	-127,204	551,516	BUILDING CONTROL SECTION	713,301	534,076	-101,281	-2,179,769	612,020
1,731,192	5,265,907	-5,518,779	-5,848,533	-3,787,587	Health	2,128,593	2,227,165	-5,329,732	-5,268,139	-3,201,139
-	-	-1,689,073	-1,695,287	-1,689,073	HEALTH ADMINISTRATION	29,500	-	-1,771,010	-1,805,460	-1,741,510
1,730,950	2,272,682	-1,943,002	-1,956,944	-212,052	ENVIRONMENTAL HEALTH	2,098,937	1,932,580	-1,915,140	-2,068,930	183,797
-	2,607,701	-141,444	-185,263	-141,444	POTCH CLINIC	-	-	-77,153	-47,106	-77,153
-	-	-188,323	-186,529	-188,323	TOP CITY CLINIC	-	-	-195,757	-500	-195,757
-	385,524	-291,776	-340,282	-291,776	PEST CONTROL	-	294,585	-382,953	-305,730	-382,953
-	-	-203,770	-230,642	-203,770	LESEGO CLINIC	-	-	-8,493	-1,566	-8,493
242	-	-856,476	-1,032,153	-856,234	REST ROOMS	156	-	-859,928	-1,030,275	-859,772
-	-	-74,366	-85,576	-74,366	PROMOSA CLINIC	-	-	-21,943	-1,858	-21,943
-	-	-	-	-	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	-	-	-	-	-
-	-	-959	-960	-959	STEVE TSWETE CLINIC	-	-	-959	-962	-959
-	-	-480	-480	-480	HOME BASED CARE	-	-	-480	-480	-480
-	-	-90,927	-87,713	-90,927	BOIKI TLHAPI CLINIC	-	-	-94,422	-3,550	-94,422
-	-	-38,182	-46,704	-38,182	MOHADIN CLINIC	-	-	-1,495	-1,722	-1,495
-	-	-	-	-	INTERNAL AUDIT	-	-	-	-	-
-	-	-	-	-	SUPPLY CHAIN	-	-	-	-	-
-	-	-	-	-	RURAL DEVELOPMENT	-	-	-	-	-
5,861,071	4,358,645	-21,694,603	-22,741,553	-15,833,532	Community and social services	1,700,677	1,705,512	-24,329,249	-26,866,820	-22,628,572
330,325	405,000	-2,031,829	-2,112,808	-1,701,504	CEMETERY	358,172	440,950	-2,354,674	-2,503,502	-1,996,502
424,473	370,000	-10,837	-17,455	413,636	CEMETERY PROMOSA	451,877	445,000	-100,058	-36,790	351,819
-	4,000	-21,362	-20,295	-21,362	CEMETERY MOHADIN	46	4,120	-31,045	-37,537	-30,999
25,693	23,000	-1,102,896	-1,153,872	-1,077,203	CEMETERY IKAGENG	27,692	24,610	-1,199,508	-1,106,662	-1,171,816
-	-	-70,245	-72,300	-70,245	CEMETERY REGIONAL	-	-	-74,712	-88,195	-74,712
4,785,068	3,407,445	-5,488,465	-5,621,286	-703,397	LIBRARY	216,517	507,702	-6,240,577	-7,228,903	-6,024,060
2,769	-	-620,549	-668,743	-617,780	LIBRARY KANONNIERSPARK	4,130	2,850	-689,972	-781,095	-685,842
10,067	-	-156,934	-181,138	-146,866	LIBRARY MOHADIN	336,419	12,400	-112,503	-342,193	223,916
8,566	-	-523,487	-529,440	-514,921	LIBRARY PROMOSA	13,103	9,900	-578,695	-594,499	-565,592
10,992	20,000	-1,192,977	-1,210,879	-1,181,986	LIBRARY IKAGENG	9,720	44,200	-1,323,333	-1,347,426	-1,313,614
-	-	-565,719	-617,504	-565,719	LIBRARY IPELENG	-	950	-258,411	-396,737	-258,411
94,685	90,500	-1,452,239	-1,478,851	-1,357,553	CIVIC CENTRE	116,532	96,835	-1,491,752	-1,508,953	-1,375,220
100,248	54,700	-821,851	-831,794	-721,603	COMMUNITY CENTRES	107,939	88,395	-1,141,131	-1,119,862	-1,033,193
10,152	4,000	-20,146	-26,266	-9,994	LAPA	10,854	9,000	-14,989	-24,166	-4,135
-	-	-175,517	-240,741	-175,517	DAN TLOOME COMPLEX	-	-	-585,252	-649,490	-585,252
16,459	-	-3,253,421	-3,302,723	-3,236,963	CULTURE PROMOTION	28,357	-	-3,669,918	-3,799,799	-3,641,561
21,774	-20,000	-1,166,496	-1,198,816	-1,144,722	CITY HALL, BOARD ROOM AND OFFICES	15,520	12,600	-1,330,953	-1,332,522	-1,315,433
19,800	-	-3,019,633	-3,456,642	-2,999,833	DEPT. ENV. MANAGEMENT ADMINISTRATION	3,800	6,000	-3,131,765	-3,968,489	-3,127,965
-	-	-4,127,937	-4,213,465	-4,127,937	Housing	-	-	-4,308,281	-4,591,690	-4,308,281
-	-	-4,127,937	-4,213,465	-4,127,937	ADMINISTRATION	-	-	-4,308,281	-4,591,690	-4,308,281
-13,679,558	13,924,873	-37,518,848	-37,820,114	-51,198,406	Public Safety	-16,040,739	4,848,003	-40,637,414	-45,447,200	-56,678,154
-	-	-5,424,150	-5,417,095	-5,424,150	PUBLIC SAFETY ADMINISTRATION	-	-	-5,865,628	-5,956,513	-5,865,628

1,149,082	1,213,273	-12,706,601	-12,196,783	-11,557,519	FIRE BRIGADE	78,891	1,123,003	-14,180,909	-14,198,132	-14,102,018
579,202	425,000	-646,142	-632,352	-66,940	FIRE EMERGENCY TRAINING	713,161	300,000	-1,150,353	-1,346,637	-437,192
-	-	-90,180	-99,631	-90,180	FIRE SAFETY	-	-	-320,170	-459,997	-320,170
-	-	-2,404,743	-2,379,556	-2,404,743	DISASTER MANAGEMENT	-	-	-2,522,271	-2,620,343	-2,522,271
7,400	31,600	-10,830	-10,830	-3,430	PARKING	8,700	9,600	-10,830	-10,830	-2,130
-15,422,807	12,255,000	-13,544,841	-14,120,070	-28,967,648	TRAFFIC DEPARTMENT	-16,841,492	3,415,400	-12,861,000	-16,558,692	-29,702,492
-	-	-475,938	-522,765	-475,938	LEGAL COMPLIANCE OFFICE	-	-	-494,024	-626,949	-494,024
7,565	-	-2,215,422	-2,441,032	-2,207,857	TRAFFIC ENGINEERING	-	-	-3,232,230	-3,669,107	-3,232,230
3,885,410	3,381,516	-30,291,505	-31,671,691	-26,406,094	Sport and recreation	3,596,973	4,489,323	-35,725,022	-36,271,833	-32,128,050
1,576	-	-285,392	-285,393	-283,816	COUNTRY CLUB	1,576	-	-278,648	-290,052	-277,072
2,926,273	2,720,156	-5,665,255	-5,683,922	-2,738,982	LAKESIDE RECREATION RESORT	3,033,484	2,510,563	-7,038,024	-6,501,969	-4,004,541
-	-	-270,892	-327,658	-270,892	LAKESIDE SWIMMING POOL	-	-	-314,478	-276,202	-314,478
-	-	-188,461	-231,136	-188,461	LAKESIDE LANDS	-	-	-206,368	-238,156	-206,368
37,127	10,000	-1,075,221	-1,068,724	-1,038,094	AERODROME	13,323	10,700	-98,608	-206,408	-85,285
-	-	-	-	-	PARKS: PLANTATION	-	-	-	-	-
33,311	20,200	-1,567,424	-1,562,428	-1,534,113	PARKS RECREATION	61,536	40,605	-1,802,689	-1,732,006	-1,741,153
2,832	7,500	-1,144,077	-1,187,064	-1,141,245	ATHLETICS	2,470	11,200	-1,193,272	-1,211,535	-1,190,802
-	-	-350,000	-355,000	-350,000	NORTH WEST CRICKET	-	-	-355,150	-355,150	-355,150
-	-	-10,260	-10,540	-10,260	HIKING TRAILS	-	-	-10,375	-21,000	-10,375
934	3,000	-3,498,393	-3,549,571	-3,497,459	PLANTS	810	2,000	-3,976,108	-3,961,672	-3,975,298
-	-	-1,773,969	-1,814,461	-1,773,969	OPEN TERRAINS	-	-	-1,966,316	-1,976,471	-1,966,316
658,924	28,000	-2,531,497	-2,720,620	-1,872,573	SPORTS	44,037	387,855	-3,022,746	-3,139,349	-2,978,709
165,271	-	-35,281	-51,424	129,989	MOHADIN SPORT & RECREATION	-	-	-80,476	-70,747	-80,476
1,377	-	-73,801	-99,253	-72,424	PROMOSA SPORT & RECREATION	1,238	-	-145,101	-138,226	-143,863
4,842	-	-492,879	-542,543	-488,037	IKAGENG SPORT & RECREATION	19,042	-	-593,026	-616,218	-573,984
-	-	-2,795,118	-3,038,337	-2,795,118	STREET TREES	-	-	-2,881,298	-2,929,767	-2,881,298
-	550,000	-2,959,725	-3,181,651	-2,959,725	PARKS ADMINISTRATION	348,500	1,479,900	-5,148,799	-5,561,273	-4,800,299
-	-	-3,494,086	-3,661,654	-3,494,086	LAWNMOWING SERVICES	-	-	-4,152,276	-4,159,556	-4,152,276
31,510	35,000	-1,073,148	-1,131,299	-1,041,638	POTCH SWIMMING POOL	36,998	35,000	-980,637	-1,389,148	-943,639
-	-	-456,142	-534,368	-456,142	IKAGENG SWIMMING POOL	-	-	-557,065	-635,340	-557,065
10,998	-	-285,609	-355,897	-274,611	MOHADIN SWIMMING POOL	16,584	-	-500,218	-431,401	-483,634
10,436	7,660	-264,873	-278,748	-254,437	PROMOSA SWIMMING POOL	17,375	11,500	-423,344	-430,187	-405,969
-	-	-1,960,647	-2,229,859	-1,960,647	Environmental protection	-	-	-2,518,626	-2,751,238	-2,518,626
-	-	-1,960,647	-2,229,859	-1,960,647	ENVIRONMENTAL MANAGEMENT	-	-	-2,518,626	-2,751,238	-2,518,626
58,200,961	63,365,559	-63,134,889	-65,695,541	-4,933,928	Waste management	65,588,488	61,565,219	-70,727,001	-78,380,404	-5,138,512
221,750	250,000	-7,604,196	-8,186,654	-7,382,446	CIVIL ENG: ADMINISTRATION	105,027	62,600	-8,436,872	-9,763,946	-8,331,845
-	-	-1,787,263	-1,926,855	-1,787,263	CIVIL ENG: STORM WATER DRAINAGE	-	-	-2,547,484	-2,415,386	-2,547,484
-	-	-4,433,458	-4,958,152	-4,433,458	CLEANSING - STREETS	-	-	-4,811,665	-5,301,158	-4,811,665
-	-	-5,501,096	-5,775,701	-5,501,096	PAVEMENTS	-	-	-6,336,422	-6,495,932	-6,336,422
-294	-	-215,075	-199,050	-215,369	CIVIL ENG: CLEANSING - SAN AND VACUUM	-	-	-252,932	-247,169	-252,932
20,889,410	25,330,748	-22,928,610	-24,290,380	-2,039,200	REFUSE REMOVAL	25,408,012	22,148,038	-21,835,243	-22,761,893	3,572,769
36,984,090	37,648,906	-1,101,562	-1,712,998	35,882,528	CIVIL ENG: SEWERAGE ADMINISTRATION	39,816,014	39,349,581	-1,128,513	-1,182,467	38,687,501
106,006	75,000	-7,716,963	-7,397,956	-7,610,958	CIVIL ENG: SEWERAGE-RETICULATION NETW	259,435	5,000	-7,816,741	-7,526,444	-7,557,306
-	-	-2,864,653	-2,546,331	-2,864,653	MAIN SEWERAGE PUMPING STATION	-	-	-6,335,247	-11,078,252	-6,335,247
-	-	-8,982,012	-8,701,464	-8,982,012	SEWERAGE PURIFICATION WORKS	-	-	-11,225,881	-11,607,757	-11,225,881
-	60,905	-	-	-	MAINTENANCE BUILDINGS	-	-	-	-	-
10,428,274	11,422,940	-24,070,111	-25,584,512	-13,641,837	Road transport	9,348,374	46,533,631	-28,068,455	-29,945,163	-18,720,081
5,290,907	5,734,940	-2,804,752	-2,861,004	-2,486,154	LICENSING	4,655,984	4,300,000	-2,552,752	-2,922,240	2,103,233
5,120,767	2,180,000	-3,807,696	-3,825,754	1,313,071	TEST GROUNDS	4,683,892	4,027,631	-4,739,188	-5,195,338	-55,296
-	-	-3,956,789	-4,923,066	-3,956,789	MECHANICAL WORKSHOP	-	-	-4,326,163	-4,864,237	-4,326,163

-	-	-	-	-	CIVIL ENG:SUSPENSE	-	-	-	-	-
16,600	3,508,000	-13,342,122	-13,795,870	-13,325,522	CIVIL ENG: ROAD AND STREET WORKS	8,498	38,206,000	-16,215,640	-16,709,530	-16,207,142
-	-	-158,751	-178,818	-158,751	CIVIL ENG: RAILWAY POTCH INDUSTRIA	-	-	-234,713	-253,818	-234,713
61,132,693	69,153,278	-29,909,376	-37,064,782	31,223,317	Water	71,710,743	63,100,684	-36,857,696	-35,538,606	34,853,047
-	-	-15,656,698	-22,247,152	-15,656,698	WATER PURIFICATION	-	-	-18,928,988	-21,655,125	-18,928,988
-	-	-1,367,882	-1,280,750	-1,367,882	WATER RETICULATION	-	-	-1,316,887	-1,322,188	-1,316,887
400,238	350,000	-12,884,796	-13,536,880	-12,484,558	CIVIL ENG: WATER INTERNAL RETICULATION	563,450	320,000	-16,611,821	-12,561,293	-16,048,370
60,732,455	68,803,278	-	-	60,732,455	CIVIL ENG: WATER INCOME	71,147,292	62,780,684	-	-	71,147,292
362,911,625	342,694,519	-244,177,496	-255,652,544	118,734,129	Electricity	430,246,021	342,694,519	-294,624,900	-255,652,544	135,621,121
-	-	-5,299,455	-5,198,012	-5,299,455	ELECTRICITY: STREET LIGHTING	-	-	-4,994,287	-7,284,241	-4,994,287
-	-	-200,601,399	-205,458,316	-200,601,399	ELECTRICITY: PURCHASES (URBAN)	-	-	-245,918,928	-248,548,088	-245,918,928
-	-	-	-	-	DEPRECIATION RECALCULATION	-	-	-	-	-
6,367,788	6,316,000	-26,940,299	-30,551,248	-20,572,511	ELECTRICITY: DISTRIBUTION	824,026	700,000	-32,440,226	-35,216,380	-31,616,199
1,385,829	1,413,500	-6,271,628	-7,211,032	-4,885,798	ELECTRICITY: MANAGEMENT	2,447,748	-	-5,164,971	-6,220,718	-2,717,223
-	-	-429,560	-1,111,354	-429,560	ELECTRICITY: READING OF METERS	-	-	-1,649,021	-2,364,264	-1,649,021
16,387,724	17,293,410	-2,943,045	-4,185,947	13,444,679	ELECTRICITY: RURAL	25,222,278	26,020,267	-1,908,346	-4,739,996	23,313,932
20,777	12,500	-553,789	-798,313	-533,012	ELECTRICITY: TRADING SERVICES	4,724	35,212,983	-1,410,799	-1,733,253	-1,406,075
338,749,507	317,659,109	-1,138,322	-1,138,322	337,611,185	ELECTRICITY: INCOME (URBAN)	401,747,244	420,047,471	-1,138,322	-1,138,322	400,608,922
699,158,985	724,576,355	-776,199,440	-669,779,332	-77,040,455	Total	782,485,359	723,978,694	-879,405,892	-747,221,931	-96,920,533

APPENDIX E(1)
TLOKWE CITY COUNCIL
ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2012

Description	2011/2012 Actual	2011/2012 Budget	2011/2012 Variance	2011/2012 Variance	Explanation of Significant Variances greater than 10% versus Budget
REVENUE	R	R	R	%	
Property Rates	90,593,412	90,069,329	524,083	1%	No explanation needed variance under 10%
Service Charges	565,665,318	614,560,293	(48,894,975)	-9%	No explanation needed variance under 10%
Rental of Facilities and Equipment	4,111,865	3,585,527	526,338	13%	Increase in income from Lakeside Resort.
Interest Earned - External investments	11,061,193	3,500,000	7,561,193	68%	Additional investment of R75 million was made.
Interest Earned - Outstanding debtors	12,249,459	13,000,000	(750,541)	-6%	No explanation needed variance under 10%
Fines	4,704,114	3,082,900	1,621,214	34%	Additional Income received from camera fines.
Licences and Permits	4,683,883	3,911,031	772,852	17%	Additional Income received from driver and vehicle licenses.
Income for Agency Services	309,548	250,000	59,548	19%	Additional income received from advertisements.
Government Grants and Subsidies	95,681,094	120,353,018	(24,671,924)	-26%	Decrease in capital spending.
Other Income	15,417,152	10,986,798	4,430,354	29%	Additional other income received.
Income foregone	-	(34,000)	34,000	100%	No income foregone has been invoiced.
Total Revenue	804,477,037	863,264,896	(58,787,859)	(6.81)	
EXPENDITURE					
Employee Related Costs	236,894,076	246,401,987	(9,507,911)	-4%	No explanation needed variance under 10%
Remuneration of Councillors	14,440,475	14,290,910	149,565	1%	No explanation needed variance under 10%
Depreciation	158,824,037	31,853,825	126,970,212	80%	Unbundling of council assets.
Impairment Losses	26,413,517	10,000,000	16,413,517	62%	Over budgeted on impairment.
Interest Paid	6,611,310	5,522,658	1,088,652	16%	Interest on additional loans acquired during the year.
Bulk Purchases	252,414,027	257,972,715	(5,558,688)	-2%	No explanation needed variance under 10%
Contracted Services	40,303,254	42,379,948	(2,076,694)	-5%	No explanation needed variance under 10%
Grants and Subsidies Paid	41,254,188	38,274,358	2,979,830	7%	No explanation needed variance under 10%
General Expenses	121,275,251	152,118,248	(30,842,997)	-25%	Over budgeted on Electricity, Levy: Skills Development, Internal Financing & Other Diverse exp.
Sale / Transfer of Assets	21,991,678	-	21,991,678	100%	No budget was allocated for the transfer of land.
Total Expenditure	920,421,813	798,814,649	121,607,164	13%	
NET SURPLUS / (DEFICIT) FOR THE YEAR	(115,944,776)	64,450,247	(180,395,023)	156%	

APPENDIX E(1)
TLOKWE CITY COUNCIL GROUP
ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2012

Description	2011/2012 Actual	2011/2012 Budget	2011/2012 Variance	2011/2012 Variance	Explanation of Significant Variances greater than 10% versus Budget
REVENUE	R	R	R	%	
Property Rates	90,593,412	90,069,329	524,083	1%	No explanation needed variance under 10%
Service Charges	565,665,318	614,560,293	(48,894,975)	-9%	No explanation needed variance under 10%
Rental of Facilities and Equipment	4,111,865	3,585,527	526,338	13%	Increase in income from Lakeside Resort.
Interest Earned - External investments	11,061,193	3,500,000	7,561,193	68%	Additional investment of R75 million was made.
Interest Earned - Outstanding debtors	12,249,459	13,000,000	(750,541)	-6%	No explanation needed variance under 10%
Fines	4,704,114	3,082,900	1,621,214	34%	Additional Income received from camera fines.
Licences and Permits	4,683,883	3,911,031	772,852	17%	Additional Income received from driver and vehicle licenses.
Income for Agency Services	309,548	250,000	59,548	19%	Additional income received from advertisements.
Government Grants and Subsidies	95,681,094	120,353,018	(24,671,924)	-26%	Decrease in capital spending.
Other Income	15,455,897	10,986,798	4,469,099	29%	Additional other income received.
Income foregone	-	(34,000)	34,000	100%	No income foregone has been invoiced.
Total Revenue	804,515,782	863,264,896	(58,749,114)	(6.81)	
EXPENDITURE					
Employee Related Costs	236,894,076	246,401,987	(9,507,911)	-4%	No explanation needed variance under 10%
Remuneration of Councillors	14,440,475	14,290,910	149,565	1%	No explanation needed variance under 10%
Depreciation	158,824,037	31,853,825	126,970,212	80%	Unbundling of council assets.
Impairment Losses	26,413,517	10,000,000	16,413,517	62%	Over budgeted on impairment.
Interest Paid	6,611,310	5,522,658	1,088,652	16%	Interest on additional loans acquired during the year.
Bulk Purchases	252,414,027	257,972,715	(5,558,688)	-2%	No explanation needed variance under 10%
Contracted Services	40,303,254	42,379,948	(2,076,694)	-5%	No explanation needed variance under 10%
Grants and Subsidies Paid	41,254,188	38,274,358	2,979,830	7%	No explanation needed variance under 10%
General Expenses	121,286,361	152,118,248	(30,831,887)	-25%	Over budgeted on General expenses.
Sale / Transfer of Assets	21,991,678	-	21,991,678	100%	No budget was allocated for the transfer of land.
Total Expenditure	920,432,923	798,814,649	121,618,274	13%	
NET SURPLUS / (DEFICIT) FOR THE YEAR	(115,917,141)	64,450,247	(180,367,388)	156%	

APPENDIX E(2)

TLOKWE CITY COUNCIL

ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2012

Description	2011/2012	2011/2012	2011/2012	2011/2012	2011/2012	Explanation of Significant Variances
	Actual	Total Additions	Budget	Variance	Variance	greater than 10% versus Budget
	R	R	R	R	%	
Executive and Council	970,688	970,688	978,330	(7,642)	(0.78)	No explanation needed variance under 10%
Finance and Administration	1,202,894	1,202,894	1,489,934	(287,040)	(19.27)	Rand value fluctuations not material
Planning and Development	62,875	62,875	1,028,265	(965,390)	(93.89)	Rand value fluctuations not material
Community and Social Services	4,751,867	4,911,655	5,219,846	(308,191)	(5.90)	Rand value fluctuations not material
Housing	324,348	324,348	473,531	(149,183)	(31.50)	Rand value fluctuations not material
Public Safety	2,080,660	2,080,660	2,576,369	(495,709)	(19.24)	Rand value fluctuations not material
Sport and Recreation	3,926,779	3,926,779	12,342,981	(8,416,202)	(68.19)	Supply Chain Process (Roll Overs)
Waste Management	9,603,991	9,603,991	16,895,883	(7,291,892)	(43.16)	Supply Chain Process (Roll Overs)
Roads and Transport	37,927,938	37,927,938	62,752,947	(24,825,009)	(39.56)	Supply Chain Process (Roll Overs)
Water	677,346	677,346	267,935	409,411	152.80	Rand value fluctuations not material
Electricity	35,554,592	35,554,592	36,488,581	(933,989)	(2.56)	No explanation needed variance under 10%
Total	97,083,978	97,243,766	140,514,602	(43,270,836)	(30.79)	

APPENDIX E(2)

TLOKWE CITY COUNCIL GROUP

ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2012

Description	2011/2012 Actual	2011/2012 Total Additions	2011/2012 Budget	2011/2012 Variance	2011/2012 Variance	Explanation of Significant Variances greater than 10% versus Budget
	R	R	R	R	%	
Executive and Council	970,688	970,688	978,330	(7,642)	(0.78)	No explanation needed variance under 10%
Finance and Administration	1,202,894	1,202,894	1,489,934	(287,040)	(19.27)	Rand value fluctuations not material
Planning and Development	62,875	62,875	1,028,265	(965,390)	(93.89)	Rand value fluctuations not material
Community and Social Services	4,751,867	4,911,655	5,219,846	(308,191)	(5.90)	Rand value fluctuations not material
Housing	324,348	324,348	473,531	(149,183)	(31.50)	Rand value fluctuations not material
Public Safety	2,080,660	2,080,660	2,576,369	(495,709)	(19.24)	Rand value fluctuations not material
Sport and Recreation	3,926,779	3,926,779	12,342,981	(8,416,202)	(68.19)	Supply Chain Process (Roll Overs)
Waste Management	9,603,991	9,603,991	16,895,883	(7,291,892)	(43.16)	Supply Chain Process (Roll Overs)
Roads and Transport	37,927,938	37,927,938	62,752,947	(24,825,009)	(39.56)	Supply Chain Process (Roll Overs)
Water	677,346	677,346	267,935	409,411	152.80	Rand value fluctuations not material
Electricity	35,554,592	35,554,592	36,488,581	(933,989)	(2.56)	No explanation needed variance under 10%
Total	97,083,978	97,243,766	140,514,602	(43,270,836)	(30.79)	

APPENDIX F
TLOKWE CITY COUNCIL
DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grants and Subsidies Received

Name of Grant	Name of Organ of State or Municipal Entity	Quarterly Receipts					Quarterly Expenditure					Grants and Subsidies Delayed / Withheld					Reason for Delay / Withholding of Funds	Compliance to Revenue Act (*) See below	Reason for Non-compliance
		TOTAL	Sept	Dec	March	June	TOTAL	Sept	Dec	March	June	June	Sept	Dec	March	June			
Dr KKDM Dolomite Research Program	LDM	1,850,000	-	-	-	1,850,000	28,500	-	-	-	28,500	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Dr KKDM Clean-up Campaign	LDM	3,000,000	-	-	-	3,000,000	84,300	58,500	25,800	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Mohadin Library	Province	676,400	676,400	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Public Transport Infrastructure	Province	-	-	-	-	-	7,565	7,565	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Library	Province	-	-	-	-	-	2,844,492	2,302,577	376,219	165,697	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Library: Special projects	Province	400,000	-	-	400,000	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Health Services	Province	-	-	-	-	-	29,500	-	-	29,500	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Equitable Share	Nat Treasury	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
MIG	Nat Treasury	34,191,000	15,670,000	14,791,000	-	3,730,000	15,394,591	7,120,584	3,232,947	1,098,097	3,942,963	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Fire and Emergency	Nat Treasury	-	-	-	-	-	(42,911)	-	-	-	(42,911)	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Land Use Management	Province	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
LED Constitutional	Province	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
LED Projects Promoting Culture	Province	-	-	-	-	-	28,357	6,500	10,051	5,735	6,071	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
LED Business Initiative	Province	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
LED Tourism Initiative	Province	40,000	-	40,000	-	-	50,800	40,000	-	-	10,800	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
SETA	Nat Treasury	1,168,241	534,478	57,625	576,138	-	346,483	112,250	107,044	24,000	103,189	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Promoting Culture	Province	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Township History/ Jazz	Province	7,750	-	-	-	7,750	4,500	-	4,500	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Education and Exchange	Province	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
NER	Nat Treasury	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Economic and Growth Development	Province	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
City Branding	Province	-	-	-	-	-	27,990	-	-	27,990	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Main Library Extension	Province	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Lotto - Sports Facilities	Other	-	-	-	-	-	21,901	-	-	-	21,901	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Lotto - Lake Resort	Other	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Lotto - Tshwaraganang	Other	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Lotto - Mohadin Stadium	Other	-	-	-	-	-	16,575	-	-	-	16,575	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Neighbourhood Participation	Other	-	-	-	-	-	-	-	-	-	-	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	below	Yes	N/A
Total Grants and Subsidies Received		41,333,391	16,880,878	14,888,625	976,138	8,587,750	18,842,642	9,647,975	3,756,561	1,351,018	4,087,087	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000			

Note

The reason why the Council was unable to obtain the money for the Neighbourhood Grant was that a project management consultancy could not be appointed to draw up a business plan to free the grant money.

APPENDIX F
TLOKWE CITY COUNCIL GROUP
DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grants and Subsidies Received

Name of Grant	Name of Organ of State or Municipal Entity	Quarterly Receipts					Quarterly Expenditure					Grants and Subsidies Delayed / Withheld					Reason for Delay / Withholding of Funds	Compliance to Revenue Act (*) See below	Reason for Non-compliance
		TOTAL	Sept	Dec	March	June	TOTAL	Sept	Dec	March	June	June	Sept	Dec	March	June			
Dr KKDM Dolomite Research Program	LDM	1,850,000	-	-	-	1,850,000	28,500	-	-	-	28,500	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Dr KKDM Clean-up Campaign	LDM	3,000,000	-	-	-	3,000,000	84,300	58,500	25,800	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Mohadin Library	Province	676,400	676,400	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Public Transport Infrastructure	Province	-	-	-	-	-	7,565	7,565	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Library	Province	-	-	-	-	-	2,844,492	2,302,577	376,219	165,697	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Library: Special projects	Province	400,000	-	-	400,000	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Health Services	Province	-	-	-	-	-	29,500	-	-	29,500	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Equitable Share	Nat Treasury	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
MIG	Nat Treasury	34,191,000	15,670,000	14,791,000	-	3,730,000	15,394,591	7,120,584	3,232,947	1,098,097	3,942,963	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Fire and Emergency	Nat Treasury	-	-	-	-	-	(42,911)	-	-	-	(42,911)	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Land Use Management	Province	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
LED Constitutional	Province	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
LED Projects Promoting Culture	Province	-	-	-	-	-	28,357	6,500	10,051	5,735	6,071	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
LED Business Initiative	Province	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
LED Tourism Initiative	Province	40,000	-	40,000	-	-	50,800	40,000	-	-	10,800	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
SETA	Nat Treasury	1,168,241	534,478	57,625	576,138	-	346,483	112,250	107,044	24,000	103,189	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Promoting Culture	Province	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Township History/ Jazz	Province	7,750	-	-	-	7,750	4,500	-	4,500	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Education and Exchange	Province	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
NER	Nat Treasury	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Economic and Growth Development	Province	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
City Branding	Province	-	-	-	-	-	27,990	-	-	27,990	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Main Library Extension	Province	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Lotto - Sports Facilities	Other	-	-	-	-	-	21,901	-	-	-	21,901	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Lotto - Lake Resort	Other	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Lotto - Tshwaraganang	Other	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Lotto - Mohadin Stadium	Other	-	-	-	-	-	16,575	-	-	-	16,575	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Neighbourhood Participation	Other	-	-	-	-	-	-	-	-	-	-	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	below	Yes	N/A
Total Grants and Subsidies Received		41,333,391	16,880,878	14,888,625	976,138	8,587,750	18,842,642	9,647,975	3,756,561	1,351,018	4,087,087	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000			

Note

The reason why the Council was unable to obtain the money for the Neighbourhood Grant was that a project management consultancy could not be appointed to draw up a business plan to free the grant money.

TLOKWE CITY COUNCIL GROUP

APPENDIX G

GENERAL STATISTICS AS AT 30 JUNE 2012

<u>GENERAL STATISTICS</u>	<u>2012</u>	<u>2011</u>
<u>Population (Estimate)</u>	250 000	250 000
<u>Registered voters</u>	86 741	86 741
<u>Valuations:</u>		
<u>Total valuation</u>		
Taxable Property	R 21 211 709 000	R 20 531 640 300
Non Taxable Property	R 1 252 289 060	R 1 265 434 960
Total Property	R 22 463 998 060	R 21 797 075 260
Residential	R 13 040 397 300	R 12 642 413 800
Commercial	R 2 190 212 000	R 2 160 537 000
Valuation Date	1 July 2009	1 July 2009
Number of Premises	45 624	44 428
<u>Employees:</u>		
Number of employees in service	1 188	1 083
<u>Electricity:</u>		
Units (kWh) purchased	458 272 588	469 229 260
Purchase cost per kWh	53.77c	43.17c
Units (kWh) sold	446 722 132	443 615 717
Units (kWh) lost with distribution	11 550 456	25 613 543
Percentage lost with distribution	2.25%	5.46%
Cost per unit sold	66.72c	55.08c
Income per unit sold	103.83c	80.69c
<u>Water:</u>		
kl purchased	15 050 539	14 459 652
Purchased cost per kiloliter	R 2.36	R 2.07
kl sold	13 915 767	12 593 292
kl lost with distribution	1 134 772	1 866 360
Percentage lost with distribution	7.54%	12.91%
Cost per kl sold	R 2.56	R 2.38
Income per kl sold	R 5.08	R 4.85